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ABSTRACT

This is the third SERVE publication about charter school issues. It focuses on implementation concerns confronting policymakers and state-education agencies, with particular emphasis on charter-related issues and recommendations for policymakers. The text focuses on strategies for drafting charter school legislation, issues that affect state-agency staffing, concerns in screening charter applications, and other materials that relate to accountability, monitoring, racial balance, funding, groups other than state boards, bridging the gap between charters and other public schools, and barriers to change. These chapters are followed by a series of policy briefs: "Selecting High-Quality Charter Schools," by Bryan Hassel; "The False Friends of Charter Schools: What Policymakers Can Do," by Gregg Vanourek, Bruno V. Manno, and Chester E. Finn, Jr.; "A Close Look at Charters: What Your Board Needs To Know Before You Accept a Proposal for a Charter School," by Judith Brody Oaks; and "A Study of Charter Schools: First Year Report--May 1997," an executive summary which provides the highlights from the first-year report of the National Study of Charter Schools, a 4-year research effort to document and analyze the charter-school movement. (Five appendices include information on charter-school resources, the status of charter schools in the southeastern U.S., and other data.) (RJM)

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CHARTERING FOR EXCELLENCE

Developing & Implementing Charter School Legislation

A Guide for Policymakers

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CHARTERING FOR EXCELLENCE

Developing & Implementing Charter School Legislation

A Guide for Policymakers

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About the SERVE Organization

SERVE, the SouthEastern Regional Vision for Education, is an educational organization whose mission is to promote and support the continual improvement of educational opportunities for all learners in the Southeast. To address the mission, SERVE engages in research and development in educational issues of critical importance to educators in the region and in the provision of research-based services to SEAs and LEAs which are striving for comprehensive school improvement. Committed to a shared vision of the future of education in the region, the organization is governed by a board of directors that includes the chief state school officers, governors, and legislative representatives from Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina, and representatives of teachers and the private sector.

SERVE's core component is a Regional Educational Laboratory funded since 1990 by the Office of Educational Research and Improvement (OERI), U.S. Department of Education. SERVE has additional major funding from the Department in the areas of Migrant Education and School Leadership and is the lead agency in the Eisenhower Mathematics and Science Consortium for the Southeast and the Southeast and Islands Regional Technology in Education Consortium (SEIR◆TEC). Based on these grants and contracts, SERVE has developed a system of programs and initiatives that provides a spectrum of resources, services, and products for responding to local, regional, and national needs. These program areas are:

- Program on Assessment, Accountability, and Standards
- Program for Children, Families, and Communities
- Program on Education Policy
- Program for the Improvement of Science and Mathematics Education
- Program on School Development and Reform
- Program on Technology in Learning

SERVE's National Specialty Area is Early Childhood Education, and the staff of SERVE's Program for Children, Families, and Communities is developing the expertise and the ability to provide leadership and support to the early childhood community nationwide for children from birth to eight years old.

In addition to the program areas, the SERVE Evaluation Department supports the evaluation activities of the major grants and contracts and provides evaluation services to SEAs and LEAs in the region. Through its Publishing and Quality Assurance Department, SERVE publishes a variety of studies, training materials, policy briefs, and other products of the programs. These informative and low-cost publications include guides to available resources, summaries of current issues in education policy, and examples of exemplary educational programs. Through its programmatic, evaluation, and publishing activities, SERVE also provides contracted staff development and technical assistance in many areas of expertise to assist education agencies in achieving their school improvement goals.

The SERVE head office is at the University of North Carolina at Greensboro, with major staff groups located in Tallahassee, FL, and Atlanta, GA, and policy advisors in each state department of education in the region. Current and detailed information on any of the program and service areas noted here may be found on SERVE's site on the World Wide Web at www.serve.org.

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SERVE & Charter Schools in the Southeast

Since Georgia became the first state in SERVE's six-state region to enact charter school legislation in 1993, four other legislative bodies within the region have enacted charter school laws. Predictably, the educational laboratory is called upon more frequently to provide services in the charter arena. Since 1994, SERVE has

- Worked with state education agencies in Florida, Mississippi, North Carolina, and South Carolina to sponsor regional information meetings about charter school legislation and opportunities
- Assisted the North Carolina State Board of Education in its initial charter school selection process
- Helped design implementation plans for the Mississippi and South Carolina Departments of Education
- Collaborated with two Department of Education-funded charter school projects operating in the Southeast
- Worked with the North Carolina Charter School Resource Center to provide assistance to North Carolina charter schools

This is the third SERVE publication addressing charter-related issues. The first, *Selecting High-Quality Charter Schools: What Policymakers Can Do*, examines five critical elements of state charter school laws that influence the selection of charter schools. The second, *The Charter School Review Process: A Guide for Chartering Entities*, focuses on designing and implementing the charter school selection process. *Chartering for Excellence* looks more broadly at implementation issues confronting policymakers and state education agencies.

INTRODUCTION

The speed at which the charter school movement has swept the country has taken public policy analysts, educators, and others by surprise. From 1991, when Minnesota became the first state to enact charter school legislation, to 1997, one-half of the states in the nation have followed suit and enacted similar legislation.

Since that time, a "cottage industry" has sprung up around charter schools, a flood of articles has appeared, and a national network of charter school support organizations has been developed. Now an expanding network of consulting groups offers their services as would-be charter school operators or advisors. Fortunately now more researchers are conducting studies aimed at documenting the successes or failures of charter schools.

In the midst of this activity, SERVE found two things often absent in charter discussions—objectivity and a focus on the "unintended consequences" of charter school legislation.

Because of the newness of charter schools, state agencies and policymakers find themselves operating in uncharted waters. The information in this publication has been gathered from states across the nation that have either implemented charter legislation or are considering doing so. Now that half the states in the nation have implemented charter legislation, a host of unintended, second-generation issues are arising. SERVE writers hope this publication will be a valuable resource for you if you are attempting to successfully navigate in uncharted waters.

Chartering for Excellence focuses on a number of charter-related issues, and provides a brief synopsis of each, followed by a set of recommendations for policymakers and state education agencies. The issues examined are

- Drafting Charter School Legislation
- State Agency Staffing Issues
- Screening Charter School Applications
- Accountability
- Monitoring Charter Schools
- Racial Balance
- Funding Charter Schools
- Issues Related to Groups Other Than State Boards
- Bridging the Gap Between Charters and Other Public Schools

Appendices on other charter school resources and the status of charter schools in SERVE's region are also included.

Drafting Charter School Legislation

Now that over half of the states have charter legislation, there is an increased demand for updated legislation. Early charter legislation was very broad; more recent legislation, drawing on the lessons of others, tends to be far more specific. The following are recommendations about key components of charter legislation:

Recommendations to Policymakers

- **Strike a balance between empowering only local school boards to grant charters and extending that authority to multiple governmental bodies.** States that have given local school boards sole chartering authority have found that very few charters are granted. Conversely, states that have granted multiple governance bodies chartering authority have been confronted with a host of questions regarding accountability and responsibility. Currently, states are tending to let charter applicants apply either to their local school board or go directly to the State Board of Education for approval; or, they are giving local school boards the power to initially grant or deny charters but empowering the State Board of Education to overturn local decisions on appeal. Local school boards that deny charters, for whatever reason, only to have another governing body grant them on appeal, tend to turn a deaf ear to those who expect them to assume responsibility or accountability for charters they opposed.

- **If governing bodies other than local boards are empowered to grant charters, ensure that they maintain responsibility or accountability for the charter.** If local board decisions to deny a charter are reversed by a higher governing body, that body should assume a formal oversight role and responsibility for ensuring that the charter fulfills its contract. Such accountability removes local school board arguments that "We didn't grant it; we aren't going to monitor it." It also guarantees that all groups with chartering authority have an incentive to exercise due diligence when considering charter applications.

- **Anticipate charter start-up funding difficulties and increased staffing demands on state educational agencies.** A growing number of states are making accommodations for initial funding for charter schools, as well as predictable increased staffing demands on state agencies because of charters.

- **Specify how much time a charter has to open its doors.** Given the daunting start-up obstacles facing charter schools, many have not opened their doors in the fall after they were granted a charter. In some states, schools that had received charters were unable to open for years after their charters were granted. Establishing a reasonable time limit—eighteen or twenty-four months, for instance—within which a charter must open or lose its charter status is advisable practice, especially in states that limit the number of charters.

- **Be aware of the unintended consequences of enabling private school conversions.** A handful of states permit private schools to convert to charter school status, resulting in a number of unintended issues. First, because charter legislation typically requires localities to match state funds with their locally generated "fair share" of funds, private school conversions can lead to large, unbudgeted increases in local school spending as a result of unanticipated student population growth. Also, there are a host of legal questions, especially when private schools already own facilities and equipment. For instance, if a charter school fails, most states require that the assets of the charter revert to the state or local school system. How does one apply that same rule to a private school with pre-existing assets? Thornier yet is the issue of open enrollment versus the rights of young people already attending a private school. How does legislation ensure that private schools which convert to charter status are equally accessible to all children? The

drafting of legislation covering private conversions is, to put it mildly, challenging.

- **Anticipate the possibility of disputes between local charters and school system officials.** While charters are often granted a degree of independence far greater than other public schools, there are a number of unavoidable and necessary points of intersection between charters and school system administrators. Disputes over school facility leases, bus transportation, access to extracurricular events, and the timing of payments of local funds are not uncommon.

  It may be possible for legislators to legislate away some of the most dispute-inducing issues. The most contentious point is usually local money. There are two ways legislators could minimize disputes over local funding. One is to arrange for all funds to flow directly from the states to the charter schools, by-pass the districts, and then reduce state funding to the districts commensurately. This would cut down on disputes and relieve districts of a big part of the administrative burden of charter schools. Massachusetts, for example, has adopted this approach. The second way is for the legislation to spell out in detail exactly how local funding amounts are to be calculated and the timetable on which districts are to disburse funds to charter schools. This would make two of the most contentious local money issues—amounts and timing—non-negotiable.

  Also, recognizing that in some systems charters are viewed as competitors and that there is little motivation for cooperation, policymakers are advised to include a dispute resolution system in charter legislation. Typically, this responsibility would fall to the State Board of Education or to a Charter School Advisory Committee or Commission appointed by the State Board.

- **Encourage collaboration between charter schools and other public schools.** Policymakers can set a positive tone by enacting laws and policies that encourage collaboration between charters and other public schools. Laws and policies that clearly define areas in which policymakers envision cooperation, for instance, will avoid needless local disputes or, in extreme cases, legal action contesting roles and responsibilities.

See SERVE's Policy Brief *Selecting High-Quality Charter Schools: What Policymakers Can Do* for a further discussion of options available to policymakers.

State Agency Staffing Issues

One of the ironic consequences of charter legislation is that legislation intended to limit the role of government in education almost immediately results in a need for additional staff within state educational agencies.

Charter legislation also requires state agencies to answer a fundamental question—one which will determine their role for years to come:

> When working with charters, is the state agency going to be **coach** or **cop**, **facilitator** or **regulator**, **advocate** or **judge**?

The answer to this question is key because, as later sections will discuss, questions related to accountability and monitoring are becoming extremely sensitive—especially in states in which established charters are now under review for renewal.

Most state agencies have adopted a position that they have the same support obligation toward charters as to all other public schools. There is wide variation, however, among states in terms of the amount of technical assistance provided to charters, especially during the start-up phase.

States that view their role as technical assistance providers should be aware that few state agency staff are experienced in the types of problems charters will encounter as they begin their work—securing a line of credit and facilities, mapping

marketing plans to attract students, and the like. Regardless of the decision about the role of the state agency, there are a number of staffing roles that must be filled, including the following:

- **Disseminating information about charters.** Even before charter legislation is enacted, state agencies are finding themselves responding to requests for information about how to begin a charter.
- **Preparing clear and specific information about the process.** Once legislation is enacted, state agencies need to quickly prepare materials that explain the steps potential schools must go through to secure a charter and an application timetable.
- **Sponsoring charter school informational meetings.** Most state agencies, in collaboration with federally-funded regional educational laboratories like SERVE, have found the most efficient way to disseminate information is through a series of highly-publicized regional meetings.
- **Responding to calls for technical assistance.** Once potential applicants begin working on charter applications, state agencies will be confronted with a host of new issues. Groups of potential applicants will want information on everything from incorporation to liability issues to financial questions. It is at this point that the role of the state agency must be clarified. Some states simply provide bibliographies of material that can be helpful to charter applicants. In others, independent, nonprofit charter resource centers have been created. State agencies routinely refer potential charter operators to those groups. Elsewhere, agency staff provide on-site assistance to potential applicants.
- **Screening applicants.** Both state agencies and local school officials have quickly discovered that screening charter applicants is not as simple as reviewing state or federal grant proposals—it is not "grant-making as usual." It is more akin to economic developers reviewing proposed small business start-up plans. Additionally, the process must be able to stand up to intense public scrutiny.
- **Mediating and intervening.** In a number of states, the relationship between charter applicants and school officials has gotten off to a rocky beginning. State agencies have found themselves between school boards and charter applicants who are in gridlock.
- **Assisting approved, operating charter schools.** Especially in states where charters are independent of districts, they essentially function as small districts. Charter schools immediately need every kind of assistance state agencies provide to local districts—help in understanding legal obligations, assistance in applying for various categorical funds available to them, advice on complying with financial and student reporting requirements, training on administering assessments, procedures for transporting students efficiently and safely, etc. Ideally, the state agency establishes some kind of charter school office whose job it is to assist charter schools in making connections with relevant state agency offices and help the state agency in designing systems that are appropriate for charter schools. This function actually needs to extend beyond the state agency itself, since charters also have to work with other agencies of government—within both the state and the federal government.
- **Responding to press and legislative inquiries.** Due to controversial issues concerning charter laws and the relative newness of charter schools, information about these schools is in high demand, especially in states where they are just beginning.
- **Holding charters accountable.** Finally, state agency staff have the ultimate responsibility to ensure that charters are accountable to the state and to the people. This role, especially in states in which charters may be granted directly by the State Board of Education, is evolving across the country.

Recommendations to State Educational Agencies & Policymakers

- Charter legislation should anticipate the need for state agency staffing. Full-time staff may be needed to take responsibility for a range of charter-related duties to include reviewing charter school applications, providing technical assistance to charter schools, mediating disputes between charter schools and local districts, and monitoring and evaluating charter schools.
- **As soon as charter legislation begins to draw serious attention, state agencies should initiate a discussion of their role if charter legislation is enacted.** Clarifying the agency's role, especially in the staff-intensive areas of screening applicants, providing technical assistance, and holding charters accountable, will enable the agency to be more aware of their staffing capacity and needs.
- **When raising the limit of potential charter schools, anticipate the increased staffing demands on state agencies.** When policymakers, as in Massachusetts and Louisiana, increase the number of charter schools, they should ask state agencies for a fiscal impact statement and ensure that legislation anticipates increased agency resource needs.

Screening Charter Applications

As noted earlier, screening charters is not grant-making as usual. While state agency staff have extensive experience in reviewing grant proposals for programs like Goals 2000 or the federal School-to-Work initiative, few have experience reviewing what are essentially small business start-up plans.

Additionally, while school systems pay attention to state agency review practices for state and federal grants, the public is typically unaware that the process is underway. That is not the case with charter school applicants. Due to the amount of attention charter legislation has received in most states, the screening process will be heavily scrutinized by the press, legislative proponents and opponents of charters, and would-be charter operators. Suggestions based on lessons learned in other states include the following:

- **Screen business plans carefully.** It is the business side of operating charter schools that has been the most difficult for many charter operators. Usually, charter applicants have strong backgrounds in education; however, many lack the small business experience needed to make a charter successful.
- **Establish safeguards regarding charter operators.** Given the growing number of charters, it is worth noting that only a handful have fallen prey to fiscal mismanagement. Some have, however, and state agencies need to establish safeguards in their screening process to ensure that operators have a track record of successful and ethical business management. Some states are also routinely running criminal record checks on prospective charter operators.
- **Guarantee that legal requirements are met.** Although charters are typically free of many of the rules and regulations public schools must follow, they do have the same obligations as other public schools in areas such as meeting the needs of special populations, adhering to racial balance goals, and meeting health and safety codes.
- **Demand sound educational and accountability plans.** Because it is inevitable that the success of charters will be measured against the success of other public schools, state agencies have a responsibility to ensure that educational and accountability plans have clear, measurable goals that can be fairly interpreted by parents and the public.

Recommendations to State Educational Agencies, Local Education Agencies, Other Approval Bodies, & Policymakers

- **Consider dividing the application screening process into these five areas:**

  1. Educational plan
  2. Business plan
  3. Governance and organization
  4. Legal compliance
  5. Capability of the applicant team

- **Give strong consideration to a review process that enables the State Board of Education to be in a position to impartially hear appeals.** It is difficult, if not impossible, for a State Board of Education to be both "judge and jury" in the application review process. If the State Board is going to be assigned a review role in the case of disputes, consider an initial screening process that distances the State Board of Education from the process and allows it to be the "court of last appeal." Some states have hired third-party reviewers to screen applications and make recommendations to the State Board. Other states have appointed Charter Advisory Committees or Boards and charged them to review plans.

For a much more detailed discussion of the charter school selection process, refer to *The Charter School Review Process: A Guide for Chartering Entities*, a publication prepared for state and local educational agency staff by SERVE. (Information about requesting SERVE publications appears at the end of this document.)

Accountability

Accountability for charter schools, like accountability for other public schools, varies state by state. For policymakers or state agencies charged with setting accountability standards, however, it is one of the more complex charter school issues and a particularly troublesome issue in states that have state-mandated curriculum frameworks and statewide testing programs.

Public school officials typically call for charters to fall under the same curriculum and testing requirements as other public schools. However, charter operators frequently assert that to force charters to follow the same curriculum outlines and testing programs defeats one of the purposes of charter legislation—that is, to spur innovation.

The argument is further complicated by the contention that the real accountability for charters is to their customers—the parents and students they serve. If, as charter operators contend, enrollment meets goals and parents re-enroll their children, the charter has passed the ultimate accountability test; if enrollment drops and parents return their children to the regular public schools, the charter has failed.

An even more difficult decision is faced in states that give faculties or teachers financial awards based on student performance on statewide tests and in states that have severe consequences, namely, state intervention or takeovers for low-performing schools.

As state agencies have discovered, there is no single "right" answer to the accountability issue. However, there is a real need to ensure that parents of charter school students can make thoughtful judgments about how well their children are learning as they attend charters. Additionally, policymakers and the public deserve to know whether state and federal money is being well-spent within charters.

Recommendations to State Educational Agencies & Policymakers

- **Avoid "apples-and-oranges" accountability comparisons.** While a strong argument can be made that charters should not have to conform to state-mandated testing and curriculum programs, there must be some way for the public and for parents to assess how

well children in charter schools are learning. For instance, a number of states are requiring that charters administer any of a number of nationally normed tests each year. Others require charters to administer state-designed language and mathematics tests, even if they do not require charters to administer all other end-of-course tests.

- **In states which grant financial awards to high-performing schools, require the same standards.** In one southeastern state which makes financial awards to high-performing schools, charters were given the opportunity to enter the incentive plan. Specifically, if they agreed to administer the state's standardized tests, they became eligible for financial awards; if they chose not to administer the tests, they could not access the funds. By offering this incentive, the state has induced most of its charters to use state-designed assessments which allow them to be compared impartially to other public schools.
- **With charter legislation, do not be vague in the area of accountability.** The more precise charter legislation is, the more likely it is that accountability will not become a contentious issue. Legislative language that states charters must "design a plan of accountability" leaves much to the imagination. If legislators hold charters to standards as rigorous as those expected of other public schools, they will be less likely to face the charge that they are setting up an unfair comparison between the two.

Because more frequently charter schools are serving special student populations (i.e., at-risk, learning disabled, etc.) or adopting different educational strategies (i.e., Montessori, Paideia, etc.), policymakers may face situations in which a true "apples-to-apples" comparison is simply not possible. Adopting a flexible approach to accountability may be necessary if policymakers want to encourage experimentation with special student populations and potentially innovative educational approaches.

Monitoring Charter Schools

In most states, charter schools are granted five-year time contracts. With a number of states approaching the first five-year renewal benchmark, the question of monitoring and accountability is no longer an abstract issue.

Across the country, frequent monitoring becomes a state-agency-versus-local-school-board issue. That is especially true in states with legislation that enables State Boards of Education to grant charters directly. School officials question, "Who should monitor a charter school that gained its charter by State Board action?" Local school officials insist that if the state granted the charter, the state should be the monitoring agency.

Even in situations where local boards of education granted or recommended approval of charters, the monitoring role is frequently ill-defined. If a parent has a complaint about a charter school, for instance, what is the role of the local school system administration, if any? At what point is it reasonable for local school system officials to intervene in a charter school, if at all? Will local school systems be reimbursed for the time and energy it takes to monitor charters and relay information about charters to the state?

These issues are of real importance to local school officials. Some state agencies have even been confronted with a demand on the part of local school officials to reimburse them for the time they are spending on screening charter applications, compiling attendance data about charters, and performing other charter-related roles they have been asked to assume.

Recommendations to State Educational Agencies & Policymakers

- **Anticipate unavoidable and necessary "intersections" where charters and regular public school officials must work together.** Unless charter schools are totally indepen-

dent and report directly to the state agency, there are intersections that require cooperation between charters and regular public school officials (e.g., student attendance reports, financial reports, and testing results). Additionally, if local boards of education are responsible for screening and granting charters, the process will take considerable staff time and energy. Policymakers in some states have earmarked a portion of charter funding for administrative overhead resulting from those unavoidable intersections.

- **Clarify who is responsible for charter oversight.** Policymakers considering charter legislation should candidly weigh oversight options when drafting legislation. That is especially true in states that enable governmental bodies other than local boards of education to grant charters. If, as in the case of Michigan, public colleges and universities can grant charters, do they have any accompanying accountability or responsibility? If, as in Louisiana and North Carolina, State Boards of Education can override local board decisions and grant charters on appeal, should they then assume responsibility for oversight?

- **Monitor charter schools in ways that do not simply replace the constraints that the charter school law removed.** Systems of reporting and compliance were typically designed with local school districts in mind, with the assumption that districts have dedicated staff without day-to-day classroom responsibilities who can carry out the state's requirements. Many charters stand alone and do not have this capacity. In addition, they often have to learn all these systems from scratch. Accordingly, state agencies often seek to alter existing systems to fit the charter setting, but this can create its own set of problems. State agencies may need to redesign their systems of reporting and compliance for charters based on what will work for charters, while still meeting state needs, instead of just trying to alter the existing system.

Racial Balance

Across the country, but especially in the Southeast, racial balance is a thorny issue, one that is now complicated by the emergence of charter schools.

Ironically, one of the frequently advanced arguments against charter schools was that they would attract largely middle-class, white student populations, but that has not been the case. In fact, the most recent federal study of charters found that they have, on average, a student racial composition similar to their statewide averages and enroll approximately the same proportion of low-income students as other public schools.[1] The issue, however, continues to be heatedly debated and carefully scrutinized in states which are currently considering or already implementing charter school legislation.

Recommendations to State Educational Agencies & Policymakers

- **Legislation or state agency regulations for charters should not attempt to hold charters to a higher standard than those required of regular public schools.** Even in systems that rigorously adhere to racial-balance guidelines, there are typically wide variations in the racial make-up of schools, especially at the elementary level. Recognizing that, policymakers and state agency officials in some states are providing leeway typical to that found in most public school systems. Louisiana, for example, requires that the student population in charter schools be within a 15-percent range of the local school balance when it comes to minority and at-risk student populations.

- **Legislation and state agency regulations need to accommodate "niche" schools serving special populations.** A growing number of charter schools came into existence to serve targeted student populations; for instance, a number of cities have created char-

1 RPP International and the University of Minnesota (1997). *A Study of Charter Schools: First Year Report.* Washington: U.S. Department of Education.

ters to serve at-risk, inner-city students. Predictably, the students in a number of those schools tend to be minority males. Some states, such as California, have single-sex schools. Given that there is a strong possibility that these types of schools could be proposed, policymakers and state agency officials should prepare for allowances in special situations, unless they consciously want to bar such schools.

Funding Charter Schools

In most states, charter schools operate without the benefit of funding for facilities, maintenance, and utilities. Thus, charters receiving their "fair share" of funding (i.e., typically, the same amount given to other public schools per child) can be seen as "less than fair" when one factors in the value of existing buildings, computers, desks, equipment, and the like.

Thus, defining "fair share" is a hotly debated issue—made even "hotter" because local school system funds are reduced with each child who enrolls in a charter school.

As noted earlier, local school officials have legitimate concerns about the amount of overhead costs they will incur as a result of the unavoidable, and necessary, intersections between charters and other public schools.

There are other, less obvious issues—for example, determining a per-child average amount of reimbursement for charter schools. If state agencies determine one average amount per child, they fail to take into account extra expenditures on high school students for areas such as vocational education. In addition, special education funding is earmarked to children with special needs and does not lend itself neatly to systemwide averages.

For beginning charters, the most pressing issues are availability of funding before the school begins operation and the large number of start-up costs. Once charters are open, there are a new set of issues. How, for example, can a charter school access competitive state or federal grant funds?

Recommendations to State Educational Agencies & Policymakers

- **In addressing overhead costs to districts, make a distinction between these two types of overhead:**

  1. Costs that districts incur in providing services to charter schools, such as transportation, meals, maintenance, etc. (The best way to deal with this type is to give the money to the charter schools and then allow them to purchase the services from vendors of their choice, if the law allows.)

  2. Costs that districts incur because of the mere existence of charter schools, such as the costs of reviewing applications submitted to them, the cost of transferring local funds to charters, the costs of any required oversight of charter schools, etc. Policymakers should consider giving charter schools 100 percent of their operating dollars, allow them to buy back whatever services they want and the local district is willing to provide, and then minimize administrative burdens on the districts. One way to minimize the burden is through direct funding of the charter schools, as discussed earlier. Another is to place monitoring and accountability at the state level.

- **Anticipate legitimate public school concerns regarding unavoidable overhead costs.** One approach state agencies might take is to factor in an overhead cost allocation as they establish charter funding policies. If, for instance, a statewide average for administrative overhead for public schools is six percent of the total budget, a 94/6 formula (i.e., 94 percent to the charters, six

percent to the local school system) could be reasonable. Or, one could reduce the portion of the funds for overhead services that charters will not use—services such as staff development, maintenance, and transportation. That might further reduce the overhead charge to charters to approximately a 98/2 formula.

It should be noted that this approach is good from a school system viewpoint; however, it is extremely unpopular with charter school operators and supporters. "Why," they argue, "should charters which are typically operating with less money than other public schools receive even less to subsidize central office operations that charters will not use?"

Given that both central offices and charter schools have valid points regarding the issue of administrative overhead, state policymakers might be advised to consider another approach. Specifically, the state should determine what administrative functions are required because of state needs (i.e., collection of attendance and testing data, transfers of funds, etc.) and provide local school systems with a flat administrative overhead allocation from state funds, thus avoiding any reduction of funds to charter schools.

- **When calculating charter school reimbursement rates, use elementary, middle school and high school averages.** There are typically variations in spending by grade level. Some states, for instance, invest heavily in lower class size and/or teaching assistants at the elementary level. Vocational spending in high schools makes high school averages higher. Setting average charter school reimbursement by grade level eliminates regular public school charges that the funding averages are not fair.
- **Devise charter funding procedures that take into account initial start-up issues.** Many states have used federal charter school grant money for start-ups by making outright grants available. Other states, like Louisiana, have established interest-free loans for charters to make it easier for them to open their doors. It is important to note that state agency regulations requiring cash flow to public schools should be revisited to ensure that new charters are not expected to operate for weeks or months without cash flow.
- **Address lack of charter school facility funding (in states where charters are required to pay for leases and mortgages out of their operating budgets).** Here are three suggestions to policymakers for "leveling the playing field" in the area of facility funding:

  1. Explore ways that charter schools can gain access to proceeds of tax-exempt bonds issued by county or state government for education.
  2. Provide supplemental operating funding to charter schools in light of the fact that their operating budgets must support leases or mortgage payments on facilities.
  3. Capitalize revolving loan pools from which charter schools can borrow for facilities.

- **Make certain that rules and regulations regarding entitlement funds and competitive state and federal grants accommodate charter schools.** Most states are communicating directly to charter schools when state or federal grants are available to affirm that they have equal access to competitive dollars earmarked for special programs. Make sure that charters have equal access to entitlement funds, as well. Even though most charters are typically aware of Title I and other categorical funds, it is often difficult for them to access them for a variety of reasons.

Issues Related to Groups Other Than State Boards

One of the best examples of unintended consequences in the charter arena is the number of unanswered questions arising from groups other than legislative bodies and State

Boards of Education that have regulatory authority. States that have charter legislation are now attempting to sort out questions in the following areas:

- **High school athletic association rules.** Over the years, most statewide athletic groups have devised rules to prevent schools from "recruiting" students to their school or preventing students in one attendance area from playing team sports in another area. Are charter school students eligible to play varsity sports on the team of a traditional public school? If so, would they join the high school team nearest to their home or to their charter?
- **Placement of student teachers.** Most colleges and universities place student teachers with accredited schools and with certified teachers. How do charters fit into that picture, especially in states that permit charters to hire uncertified teachers?
- **College admission standards.** Most colleges require that applicants have taken a specified number of credits and/or followed a fairly set curriculum through their high school years. Can college admission standards accommodate charter schools that deviate widely from the traditional norm?
- **Voluntary accrediting agencies.** In addition to individual college admission standards, charter schools may also need to be mindful of the guidelines set by regional "voluntary" accrediting bodies, such as the Southern Association of Colleges and Schools. These agencies, in turn, may need to adjust their guidelines to accommodate charters.
- **Extracurricular activities and special coursework.** Beyond the question of varsity sports, there are a host of issues that are beginning to surface regarding charter school students' participation in programs not available at their charter school. Should charter students, for instance, be eligible to attend a high school physics course, machine shop, or band class in a traditional high school if their charter does not offer such options?

Bridging the Gap Between Charters & Other Public Schools

Many of the issues raised in this examination of charter schools are difficult and challenging. However, none may pose a greater challenge than finding a way to bridge the gap that exists, in many communities, between charter schools and other public schools. While few would have predicted that this issue would come to merit either legislative or State Board of Education action, there is a growing communication gap that needs to be addressed in many states.

Many proponents of charter legislation contend that the lessons learned from innovative charter schools could lead to a strengthening of all public schools. Conversely, as charter start-up difficulties show, charter schools could avoid some "reinventing of the wheel" by drawing from exemplary public schools.

At the moment, however, there is little evidence that either charters or public schools are inclined to work with, much less learn from, each other. In some states, the debate around charter school legislation was played out in cataclysmic terms with regular public school officials claiming that charters were the "beginning of the end for public schools." In other states, proponents of charters portrayed the public school establishment as a "blob" that could only be changed through free-market competition.

Once charter legislation is enacted, it is not uncommon for local school officials to bitterly oppose charters because of the loss of resources and/or because many founders of charter schools have been vocal critics of public schools.

There are exceptions to this rather gloomy state of affairs. In the Southeast, for example, two U.S. Department of Education projects, SERVE, Inc.'s Leaders Institute and *Project Connect*, are attempt-

Status of Charter Schools in the Southeast

State	# Currently Operating	# Allowed	Types Allowed
Alabama	0	0	0
Florida	33	*	Converted Public & New Starts
Georgia	21	No Limit	Converted Public & New Starts
Mississippi	0	6	Public Conversion Only
North Carolina	34	100	Converted Public/Private** & New Starts
South Carolina	1	No Limit	Converted Public/Private** & New Starts

* In Florida, unless a school board requests an increase in the number, districts with more than 100,000 students are limited to seven conversions, seven start-ups; districts with between 100,000 and 50,000 students are limited to five conversions, five start-ups; districts with less than 50,000 students are limited to three conversions, three start-ups.

** No religious or home schools.

ing to create a dialogue between charters and other public schools. If charter schools are to make a contribution to the improvement of America's schools, much needs to be done to ensure that lessons learned by charters are shared with other public schools and that the lessons learned by exemplary regular public schools are shared with charters.

Recommendation to State Educational Agencies & Policymakers

- **Establish a mechanism that ensures that lessons being learned in charter schools are shared with other public schools and vice versa.** While state agencies are being asked to shoulder a number of new charter-related tasks, in the long run, none is more important than ensuring that a process of sharing and learning between charters and other public schools is put in place and nurtured. At a minimum, state agencies, colleges and universities, or designated nonprofit groups could convene meetings of charter and other public school officials, disseminate case studies of exemplary regular public and charter schools, and attempt to open up a dialogue between charter and other public school officials within school systems.

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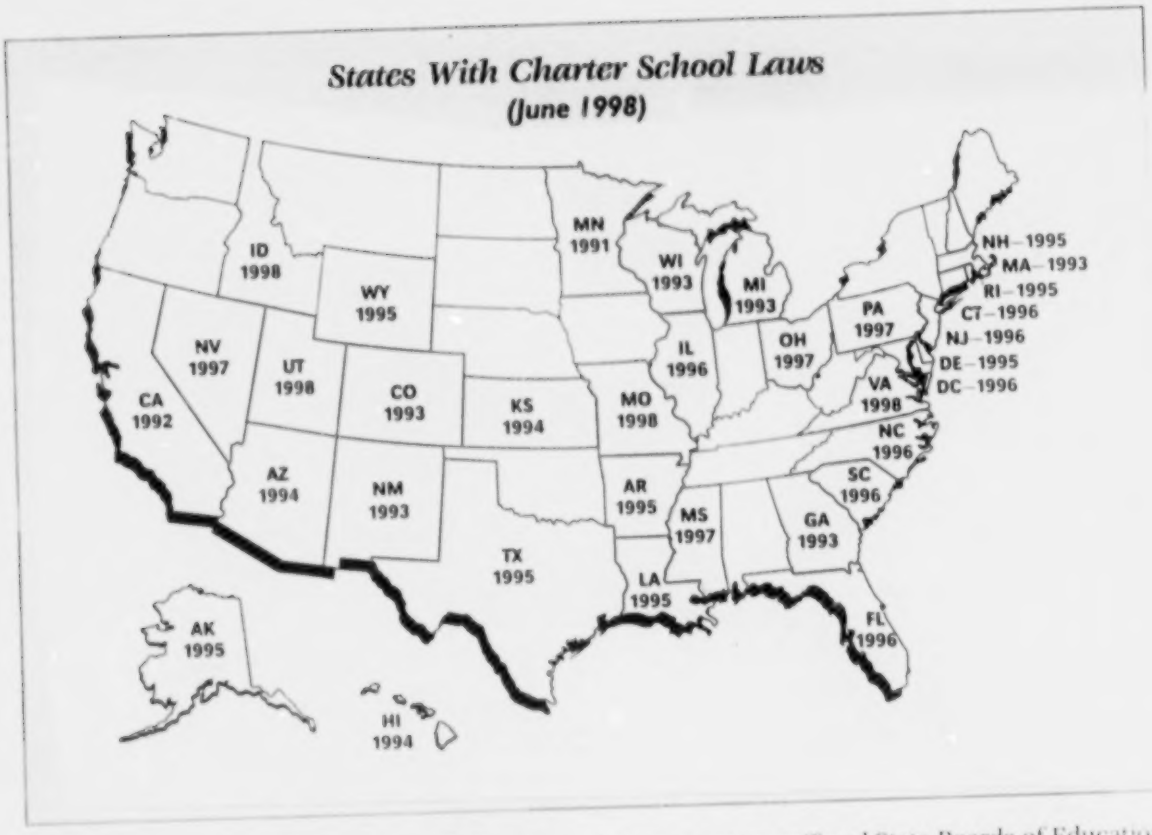

Change Does Not Happen Easily

The charter school movement represents the greatest break from public school traditions in decades. Therefore, it requires everyone—state agency officials, local school boards, and policymakers—to adjust to a dramatically different educational climate.

Because the charter schools debate has touched on many of the most volatile topics in education—accountability, funding, certification, tenure, racial balance, competition, the role of public schools—it has, in many states, left a residue of animosity. In some communities, the advent of charters has divided people and led to a state of uneasy detente between those who support or oppose charters.

State agency staff and State Boards of Education find themselves, on any given day, attacked by public school officials for "hastening the demise of public schools" or by charter school officials for "putting up road blocks for charter schools." It is a difficult and frequently thankless position for those charged with seeing that the intent of charter legislation is upheld.

With the growing avalanche of research about charter schools, it will soon be possible to assess whether charters are living up to their proponents' dreams. In the meantime, the writers and researchers at SERVE will continue to examine charter-related issues and offer state educational agencies and policymakers support in the years ahead. ●

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csr.syr.edu/resource/listserv/listserv.html

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www.ecs.org

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www.wested.org/policy/pb_free.htm

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SERVE Policy Brief 1998

Selecting High-Quality Charter Schools: What Policymakers Can Do

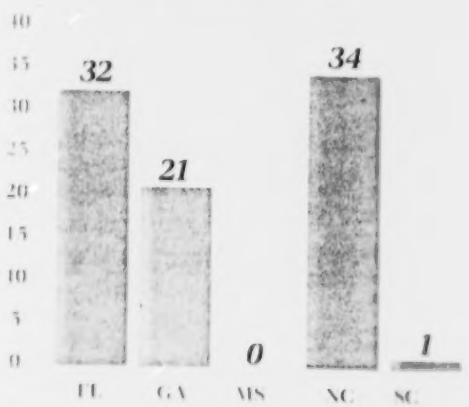
Written for SERVE By
BRYAN HASSEL, POLICY CONSULTANT

Charter schools are a new but increasingly common form of public school in the United States. In exchange for freedom from many of the rules and laws that constrain conventional public schools, charter schools agree to be held accountable for results spelled out in a contract, or "charter," with some public agency. Though they remain public schools—tuition-free, non-religious, and non-selective in their admissions—charter schools have the opportunity to experiment with new organizational structures and ways of teaching students. Proponents hope charter schools will devise innovative approaches to education and place competitive pressure on regular public schools to improve (Kolderie, 1990).

Since Minnesota enacted the first charter school law in 1991, legislation has spread rapidly across the U.S. By September of 1997, 30 states and the District of Columbia had charter laws on the books, and nearly 500 charter schools were open during the 1996-97 school year. Among the SERVE states, Georgia enacted the region's first charter law in 1993, followed by Florida, North Carolina, South Carolina, and Mississippi (Alabama has not enacted a charter school law). In these five states, 88 charter schools were open at the beginning of the 1997-98 school year. Research on this growing sector of schools is just beginning to emerge, a step that will lead to the examination of policy issues charter schools raise (RPP International and the University of Minnesota, 1997).

Now that the nation has several years of experience with charter schools, policymakers have begun to revisit the legislation they passed in the early days of the charter concept. This policy brief addresses one of the central questions policymakers are asking about effective charter laws: *how can legislation ensure that high-quality schools emerge from the charter process?*

Figure 1
Number of Charter Schools in Five of the SERVE States, September 1997



State legislators do not make decisions about which applicants receive charters. Instead, they leave these choices to "chartering entities"—such as state and local boards of education—by giving them the power to issue charters. But state laws set the framework within which these chartering entities make their decisions. Consequently, state charter laws have a significant impact on the selection of charter schools and, ultimately, on the quality of the schools that open.

This policy brief examines five critical elements of state charter laws that influence the selection of charter schools. An explanation of how charter laws in the five states address each element is provided. A subsequent section presents issues for policymakers in the Southeast.

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Figure 2

Eligible Charter School Applicants in SERVE States

	Existing Public Schools	Individuals, Informal Groups, and Nonprofits	Private or Home-Based Schools	For-Profit Businesses
Florida	●	●		●
Georgia	●			
Mississippi	●			
North Carolina	●	●	●	
South Carolina	●	●	●	

Note: Though charter laws in North and South Carolina do not prohibit home-based educational programs from applying for charters, these laws do not allow approved charter schools to be home-based.

Elements of Charter Laws that Influence the Selection Process

Who May Apply for a Charter?

Most charter laws invite at least some people from outside the existing public school system to submit applications. These commonly include individual citizens, informal groups, and nonprofit organizations. Some of the most restrictive laws allow only existing public schools to convert to charter status. More rarely, states allow existing private or home-based schools to convert to charter status or invite for-profit businesses to submit charter applications. Each state's charter legislation specifies the range of eligible applicants, thereby impacting the selection process.

The range of options selected by five SERVE states is described in *Figure 2*. Georgia and Mississippi allow only existing public schools to convert. The other three enable individuals, informal groups, and nonprofit organizations to apply, as well. North and South Carolina also invite existing private or home-based schools to seek charter status. While Florida does not enable existing private and home-based schools to apply, it allows for-profit businesses to seek charters, a practice prohibited in the other four states.

Who May Issue Charters?

State charter laws also determine which public bodies have the power to issue charters, and the central issue is the role local school boards play in the process. In some states, local school boards have the power by law to veto any charter school proposed in their jurisdictions. In other states, other entities, such as the state board of education, can approve charter schools even if the local school board does not agree. Still other states lie in between, requiring applicants to approach their local school boards first but allowing rejected applicants to appeal local decisions to the state board of education. Some states also empower other organizations entirely (such as public universities, community colleges, and specially created charter school boards) to issue charters.

As *Figure 3* reveals, SERVE states exhibit all of these arrangements. Charter applicants must first approach their local school boards in all states except North Carolina, where they may also apply to the boards of public universities or to the state board of education. In Georgia and Mississippi, a local board's rejection of an application is final. But in both states, the state board of education can overrule a local board's approval. The same is true in North and South Carolina, but in these states the state board can also overrule a local board's rejection of an application. In

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Figure 3

Roles of Chartering Entities in SERVE States

	Applicants Must First Approach Local School Board	State Board Can Over-Rule Local Rejections	State Board Can Over-Rule Local Approvals	Universities May Play a Role in Chartering Schools
Florida	●			●
Georgia	●		●	
Mississippi	●		●	
North Carolina		●	●	●
South Carolina	●	●	●	

Note: In Florida, rejected applicants may appeal to the state board of education. The state board can remand the decision for reconsideration but cannot overrule the local board's rejection.

Figure 4

Limits on the Number of Charter Schools in SERVE States

	Per-District Limits	Statewide Limits
Florida	6, 10, or 14, depending on the size of the district*	Sum of district limits (478 in 1996-97)
Georgia	None	None
Mississippi	None**	6
North Carolina	5 per year	100
South Carolina	None	None

* Florida's law allows up to three newly created charter schools and up to three conversions of existing public schools in most of its school districts (those with fewer than 50,000 students); up to seven of each kind in each of its largest school districts (100,000 or more students); and up to five of each kind in each of its other school districts.

** Though Mississippi's law contains no per-district limits, requirements for geographic spread of the state's six charter schools makes it less likely that more than one charter school would open in a single district.

Florida, the local board's decision is final, though the state board may hear appeals and require local boards to reconsider.

How Many Charter Schools May There Be?

A third way in which state legislation affects the selection process is by the placement of limits on the number of charter schools that may open. Some of these provisions cap the number of charter schools statewide. Others limit the number within a single school district or region of the state. Some are absolute caps, limiting the number of schools that may be open at any one time, while others are annual limits, restricting the number of schools that may open in a given year.

Charter laws in SERVE states vary widely on this dimension, as *Figure 4* illustrates. Georgia and South Carolina place no limits on the number of charter schools. North Carolina imposes a state-

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Figure 5

Factors Chartering Entities Must Consider in SERVE States

Factors Chartering Entities Must Consider	FL	GA	MS	NC	SC
Education Plan					
School mission and target population	●				●
Educational programs and instructional methods	●	●	●	●	●
Performance goals and measures	●	●	●	●	●
Qualifications of employees	●			●	
Terms of employment for teachers					
Business and Governance Plan					
Governance structure	●	●	●	●	●
Provisions for parent, educator, and/or community involvement		●	●	●	●
Economic soundness of the plan	●			●	●
Timetable for implementation	●				
School facility	●			●	●
Transportation plan				●	●
Audit plans, insurance, or other administrative procedures	●			●	●
Students					
Admissions policies	●			●	●
Plan to achieve racial balance	●				●
Preference for schools serving at-risk children				●	
Discipline procedures				●	
Community Support					
Evidence of support from teachers, parents, and students					●
If a converted public school:					
fraction of teachers that must approve	Majority	1/2	Majority	Majority	2/3
fraction of parents that must approve	Majority	1/2	Majority	"Significant Number"	2/3
The Applicant Team					
Capability of applicant to operate school in educationally and economically sound manner				●	
Impact of School					
Adverse effects of school on rest of district				●	●

Note: This table does not include more standard requirements, e.g., that the proposed school intends to follow laws (such as nondiscrimination, health and safety, and special education) that apply to it.

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wide cap of 100, with no more than five opening per year in a single school district. Florida allows between six and 14 charter schools in a single district, depending on the size of the district. Mississippi allows only six charter schools statewide and requires a geographic spread, if feasible.

What Are the Criteria to Obtain a Charter?

A fourth important aspect of state charter laws is the criteria for obtaining a charter. With these provisions, legislatures indicate the factors chartering entities must use when deciding whether to grant a charter to a specific applicant. Some laws state these criteria explicitly, while others imply criteria by specifying the information applicants must provide to chartering entities as part of their petitions. For example, if a charter law requires applicants to explain their governance structures, chartering entities can infer that they need to take the viability of these structures into account when making decisions.

Charter laws in SERVE states ask chartering entities to consider a wide range of factors when they review charter applications. These factors are summarized in *Figure 5*. All five laws either state or imply that chartering entities should closely examine the school's educational program, instructional methods, performance goals, plans to measure progress, and governance structure. All laws but Florida's ask reviewers to consider the school's plan to involve parents, teachers, and others in the design, management, or evaluation of the school. Beyond these commonalities, though, different laws emphasize different factors.

All state laws give chartering entities considerable discretion in their decision making. This discretion takes two forms. First, the criteria tend to be open-ended, leaving room for chartering entities to interpret the meaning of phrases like "economically sound." Second, while all of the laws list numerous factors chartering entities must consider, none provide guidance about how important each of these factors should be in the final analysis.

What Are the Details of the Selection Process?

Charter legislation also affects the selection of charter schools by mandating certain details of the selection process. U.S. laws establish three broad types of selection processes:

(1) *Annual cycles* that require applications to be submitted and decisions to be made by certain dates

(2) *Restricted rolling processes* that allow applications to be submitted any time but require decisions to be made within a certain timeframe following submission

(3) *Unrestricted rolling processes* that allow applications to be submitted at any time but do not impose any timetable on decision making

Legislation may also affect the process by requiring that chartering entities conduct public hearings or other information-gathering activities.

Laws in the five SERVE states exhibit each of the three broad types of selection processes. North Carolina's law mandates an annual application cycle. Legislation in Florida and South Carolina institute restricted rolling processes. Mississippi's and Georgia's laws contain unrestricted rolling processes. South Carolina alone requires any particular information-gathering activities, asking chartering entities to hold community meetings in affected areas to solicit input on specific applications. *Figure 6* on the next page, provides more information on how the five state laws treat the details of the selection process.

Policy Issues in SERVE States

As they revisit charter legislation in the next few years, policymakers in each of the SERVE states will confront some difficult policy decisions, and many of these decisions will relate to the way in which charter schools are selected.

Three states—Florida, Georgia, and Mississippi—give local school boards the final decision over whether to grant charters in their jurisdictions. Policymakers in these states may be asked to give rejected applicants some other avenue of approval.

Figure 6

Charter Selection Processes Mandated by SERVE State Laws

Annual Cycle

–North Carolina–

- All applications must be submitted prior to November 1
- Chartering entities must grant/deny preliminary approval by February 1
- Rejected applicants choosing to appeal must do so by February 15
- State board of education must make all final decisions by March 15

Restricted Rolling Process

–Florida and South Carolina–

Florida

- Applicants may submit petitions at any time
- Local school board must grant/deny approval within 60 days
- Rejected applicants choosing to appeal must do so within 30 days
- State board of education must rule on appeals within 30 days
- Upon remand from state, local board must rule again within 30 days

South Carolina

- Applicants may submit petitions at any time (though local boards may establish a schedule)
- Local school board must hold community meetings to discuss
- Local school board must grant/deny approval within 60 days
- Rejected applicants choosing to appeal must do so within 30 days
- State board of education must rule on appeals within 30 days
- Upon remand from state, local board must rule again within 30 days

Unrestricted Rolling Process

–Georgia and Mississippi–

- Applicants may submit petitions at any time
- No stated time-frame within which local school board must rule
- If local board rejects an application, it must inform faculty and state board of reasons; state board may hold hearing to discuss
- If local board approves, state board must grant or deny approval, but under no stated time-frame

Two states—Georgia and Mississippi—allow only existing public schools to apply for charter status. Policymakers in these states may be asked to enable outside groups to submit charter applications.

Three states—Florida, Mississippi, and North Carolina—place caps on the number of charter schools that can open. As the pool of existing charter schools nears these caps, policymakers may face the question of whether to raise, eliminate, or modify them.

Despite setting out some criteria, all five states leave great discretion in the hands of chartering entities. As real candidates are approved and rejected, policymakers may encounter calls to clarify or change criteria that chartering entities are applying under.

Policymakers may also consider changing selection processes. North Carolina's annual cycle, for example, does not issue approvals until March 15 of each year, a date which some have suggested is too late for many schools to open the following fall. And Georgia and Mississippi's unrestricted rolling processes may come under attack for not providing applicants with assurances that their applications will be reviewed in a timely fashion.

Since the charter school phenomenon is so young, it is impossible to accurately predict the consequences of most of these proposed policy changes. One consistent finding, though, is that states with more "restrictive" charter laws have spawned fewer charter schools than states with less restrictive legislation. By "restrictive," researchers mean provisions like those that limit

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eligible charter applicants to existing public schools, grant local school boards the power to veto charter schools, and set caps on the number of charter schools.

An analysis by the Education Commission of the States (Bierlein, 1996), for example, divides state charter laws into less restrictive and more restrictive categories. Extending this analysis to all 17 states with charter schools in operation in 1996-97, more restrictive states had an average of 4.2 schools open, versus 49.6 in less restrictive states. As of May 1997, just 10 charter schools have operated in "restrictive" Georgia, compared with 166 in Arizona, 109 in California, 79 in Michigan, and 32 in Colorado, all "less restrictive" states (Center for Education Reform, 1997).

As states develop more experience with charter schools, additional research into the links between legislative provisions and the quality of the charter schools that emerge will be possible. Test scores and other measures of student performance in charter schools are just becoming available. With these data and other information about how charter schools are faring, researchers will be able to provide policymakers with increasingly more information about which kinds of selection processes yield higher-performing charter schools. ●

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Center for Education Reform (1997). *Charter school highlights and statistics.* (Available at http://edreform.com/pubs/chglance.htm)

Kolderie, Ted. 1990. *Beyond choice to new public schools: Withdrawing the exclusive franchise in public education.* Washington: Progressive Policy Institute.

RPP International and the University of Minnesota (1997). *A study of charter schools.* Washington: U.S. Department of Education. (Available at http://www.ed.gov/pubs/charter)

Charter School Statutes in the SERVE States

Florida
Florida Charter School Legislation
Section 228.056
www.firn.edu/doe/bin00038/chrtlegi.htm

Georgia
The Charter Schools Statute
O.C.G.A. 20-2-255
gadoe.gac.peachnet.edu/charterschools/ocga.html

Mississippi
Mississippi Code
Chapter 37-28-1

North Carolina
The Charter Schools Act
G.S. 115C-238-29
www.ncga.state.nc.us/.html1997/bills/senate/ratified/sbil0297.full.html

South Carolina
The Charter School Act
C.L.S.C. 59-40
www.lpitr.state.sc.us/bil95-96/4443.htm

For more information about charter school programs nationwide, see the U.S. Charter Schools Web site at www.uscharterschools.org.

Appendices

The False Friends of Charter Schools

BY GREGG VANOUREK; BRUNO V. MANNO; AND CHESTER E. FINN, JR.

Phi Delta Kappan, March 1998

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President Clinton has become a cheerleader for charter schools. Hurrah for that. Most of the dozens of charter schools we've visited are pretty terrific.

When a reform that rocks boats becomes a fad that everyone appears to endorse, one must ask whether it has retained its essence.

But when he calls for doubling federal funds for them (to $100 million next year) and visualizes 3,000 such schools by the turn of the century (up from 500 today), it's important to know what exactly he means by a charter school: Does the president insist on fully independent public schools that are free to innovate, to shape their own destinies, and to direct their own resources? Or will he, like his political supporters at the National Education Association and elsewhere in the public school "establishment," favor near-clones of conventional schools that must obey most of the usual rules even while waving the "charter" banner?

When a reform that rocks boats becomes a fad that everyone appears to endorse, one must ask whether it has retained its essence. (Is a cinnamon-raisin bagel—reportedly another Clinton passion—really a bagel, or just a sweet roll with a belly button?) Our travels to almost 5 charter schools in nine states over the past 18 months have led us to distinguish between the genuine article and faux charters that carry the name but are really just minor variations on the theme of "site based" management. If the fakes, lauded and aided by the false friends of charter schools, spread faster than the real thing, which continues to be bitterly resisted in one state and community after another, we may find that "support" for charter schools could prove lethal to this promising reform strategy. If the White House allows its prestige (and additional federal dollars) to buttress the fakes, Mr. Clinton's seeming enthusiasm for charter schools could actually hasten their death.

As schools with the "charter" label multiply, as more states pass enabling legislation, and as other jurisdictions weigh amendments to existing charter laws, it's worth recalling what this idea is all about.

The basic concept is simple and, we think, powerful: Sound school choices can be provided to families under the umbrella of public education without micromanagement by government bureaucracies. Independent schools that are open to all, paid for with tax dollars, accountable to public authorities for pupil achievement, and subject to basic health, safety, and nondiscrimination requirements are public schools even if they're managed by a committee of parents, a team of teachers, the local Boys & Girls Club, or perhaps a profit-seeking firm. They need not be regulated into conformity by platoons of assistant superintendents, staffed only by government employees, or bent to the thousand clauses of union contracts.

By now it's clear that not all charter programs are created equal. Many states have enacted weak, Potemkin-style statutes that display the facade but not the reality of charter legislation, binding charter schools to most of the crippling constraints faced by conventional public schools. For example: Their teachers are deemed to be employees of the local school district, and they must adhere to its collective bargaining contracts. They may hire only certified teachers (not, for example, a NASA scientist or Bill Gates). And they have some say over curriculum but little or no control of their money.

Uncle Sam is at fault, too. Modest federal checks to help meet start-up costs are surely welcome. But the big programs (such as Title I, special education, and school lunch) make no allowance for the unconventional contours of charter schools—nor has Mr. Clinton said they should. Funding formulae are still tied to school system demographics; the dollars seldom follow eligible youngsters to different schools; and the regulatory burden of participation is heavy for a fledgling school with no bureaucratic superstructure. Nor do even the strongest charter laws provide for the capital-funding needs of charter schools.

Many such constraints are there on purpose, imposed by enemies of charter schools who, unable to strangle this infant reform in its crib, have done their utmost to keep it from growing big and strong. Others, however, are more like bureaucratic accidents. In North Carolina, for example, despite a generally strong law, the attorney general has issued a preliminary ruling stating that charter teachers cannot take advantage of the state retirement system unless their schools surrender their independence and function as part of their local districts. This is a Faustian bargain.

In Illinois, a number of promising charter proposals have lately been derailed by hostile districts. (One very solid school plan was shunned by 11 separate districts.) In Olympia, Washington, as charter bills traverse the legislative hurdles, committees have diluted them at every turn, forbidding multiple sponsors and sabotaging the appeals process—and thereby revealing as false the promises of business leaders and others who swore last fall that, if only the "referendum" version of charter schools was defeated (which happened), the legislature could be counted upon to pass a strong charter law. In New York, the powerful teachers' union has made it plain that it has a similar fate in mind for Gov. George E. Pataki's bold charter plan.

Charter foes have devised two strategies: blasting these schools off the landscape and tugging them back into the coils of the bureaucracy.

In California, where the charter program is already in its third year, few schools have been able to negotiate financial autonomy. As a board member in one such school remarked to us: "I'm damn mad at this creeping takeover of our budget by the district. It all comes down to a matter of control."

Such political hassles, bureaucratic subservience, and micromanagement are exactly what charter schools are meant to escape. The whole point is to offer freedom from red tape in return for a commitment to produce specific results. To deliver on that commitment, the school must be free to decide who will teach what and how, where to locate and what hours to operate, whether to require uniforms, what homework to assign, how best to impart reading skills to 6-year-olds, and which sports (if any) to offer.

It must be able to spend its money on teachers, tutors, counselors, or computers—as its leaders see fit.

In return, the charter school is profoundly accountable—in two directions. Since nobody is forced to attend, it must answer to students and parents via the marketplace. And since the char-

ter-issuing body is not obliged to renew its charter, to remain in existence it must also deliver the promised results, usually defined in academic standards and tracked on statewide (or other) tests. If the charter issuer wants to ensure that the school doesn't voyage into curricular outer space, it can stipulate core skills and knowledge. Otherwise, those running the school decide what to teach. (The one big exception, of course, is religion.)

Charter foes have devised two strategies: blasting these schools off the landscape and tugging them back into the coils of the bureaucracy. Never mind that charter schools today enroll barely two-tenths of 1 percent of American school children. What's agitating their enemies is the realization that the idea is beginning to catch on—and if the president has his way it will spread even faster. Hence the public school mandarinate—the teachers' unions, to be sure, but also school board and administrator groups—is striving to contain their numbers, limit their freedom, and redefine their concept. Recent examples include Bob Chase, the president of the National Education Association (writing in these pages), and Michael Kelly of the *The New Republic*, who used the antics of Washington's Marcus Garvey Charter School to savage the whole idea.

Meanwhile, most of the charter schools that struggle into existence—through all the bureaucratic hurdles, under all the "caps," with little or no capital funding, and often with reduced operating dollars—are terrific educational institutions. They're generally small, safe schools that are clear about their mission, staffed by dedicated teachers, and supported by devoted parents, many of whom supplement the schools' resources with their own perspiration. We've encountered few that we wouldn't send our own kids to, but far more often we've liked what we've seen.

Consider California's Fenton Avenue Charter School, a preschool-through-6th grade institution that "seceded" from the Los Angeles Unified School District in order to operate independently. Open year round, it offers an education to 1,300 students with a teaching staff of 63. Its enrollment is 75 percent Hispanic, over 97 percent minority, and nearly all poor.

Unlike most California charters, Fenton Avenue has gained control of almost its entire ($6 million) budget. This autonomy has allowed much that was impossible under district and union thumbs: reducing class size; adding after-school and Saturday programs; managing the school's own food services; providing free accident insurance for kids and long-term disability for employees; reducing administrative personnel by 25 percent; and restoring a 10 percent staff pay cut. It has created a on-site broadcasting studio (the first one ever for a California elementary school), developed its own primary phonics instruction program (in both Spanish and English), and boosted pupil test scores more than 20 percent in two years.

The great appeal of charter schools is that they invite innovation while demanding results—the precise opposite of conventional U.S. Public schools.

The public school establishment hates all this. The cracking of its monopoly, the ironclad accountability for results, the evidence that more can be done with the same (or less) resources, the shift of power to consumers. Yet charter schools are sprouting like mushrooms. California now has more than 100, and Arizona has grown more than 150 since 1995. Small though these numbers are alongside the behemoth of public education, they're more alarming to the status quo than anything save vouchers. (And they're spreading much faster.)

Although new and without lengthy track records, most charter schools already have waiting lists. State charter programs are bumping against caps that legislators often impose as a compromise with the teachers' unions. In Massachusetts, for

example, all 25 authorized charters have been awarded. Five approved applicants are on a waiting list of their own, and 123 groups have applied since 1994.

The great appeal of charter schools is that they invite innovation while demanding results—the precise opposite of conventional U.S. public schools. By doing so, charter schools are reprogramming America's educational DNA. Public education, as currently constituted, is a species showing signs of extinction. It's too regimented, lumbering, and inert to survive in a changing environment. Charter schools are a mutation—an adaptation to more demanding surroundings—that will help the species survive, albeit transformed. But policymakers beware of the false friends of the charter idea or it won't ultimately do any good.

Charter schools are bona fide "schools of choice," open to all who wish to attend them. Yet despite critics' predictions that they would "cream" the best pupils from conventional schools, we found just the opposite: Charter schools are mainly drawing kids who were having rotten experiences in regular schools (or had dropped out). Fifty-five percent of U.S. charter students in 1995-96 were poor, 63 percent were minority-group members, 19 percent had limited English proficiency, and almost one in five had disabilities. (Early data from the current school year indicate a similar enrollment pattern.)

One might suppose such demographics would mute the opposition. Yet they seem to infuriate the mandarins even more, perhaps because they signal both that disadvantaged kids are truly gypped by the current system and that poor families are savvy enough to do something about it as soon as the exit door is unlocked.

Most opponents simply assert that all education dollars belong by right to the "school system" (that is, not to children, parents, and taxpayers) and that charter schools thus "rob" funds from their proper custodians. Recently, a favorite stratagem employed by foes has been to haul a few bad apples from the charter barrel (Citizen 2000 in Arizona and the Garvey School in Washington are favorite examples) and hold them up for public outrage. The implication is that this innovation must be proven foolproof—and drained of all risk—before it is even seriously tried. Meanwhile, the conventional school system gets away with massive malpractice: mediocre, unsafe schools that are enveloped in all the bureaucratic controls that charter schools lack, yet where little learning happens.

Of course, charters are no cure-all. Five hundred schools aren't many in a land with 83,000 public schools—and it's so hard to start and succeed with one that their numbers may not swell, even with President Clinton's encouragement and a dribble of federal stimulus funding. Nor does the charter label immunize them to human frailties, slipshod planning, unanticipated crises, and reversals of fortune.

The fact that the missteps of a few ne'er-do-well charter schools are being trumpeted poses a harsh dilemma: Putting a tight-enough lid on the charter barrel to keep out every bad apple would destroy the freedom that's vital for the many good ones to succeed. Substituting rule compliance for results accountability would abort this valuable educational experiment.

Will charter schools survive their current assault by false friends and overt foes? That depends on whether policymakers are shrewd enough to identify—and limit—the domains where charter schools are most vulnerable to regulatory overload. Still, it's significant that the fight is no longer about whether to permit charter schools to exist but about how independently they will be able to operate.

What are we to make of President Clinton's enthusiasm? A recent *Economist* article pointed out that his "policy points in the right direction, but it is sadly timid," doubtless due to anxiety about offending key political supporters. If he were truly serious about charter schools, he'd take on the unions that are trying to cripple them and rein in the federal rules that are strangling them. Otherwise, true charter school advocates should be wary of his embrace. ●

A Close Look at Charters

What Your Board Needs to Know Before You Accept a Proposal for a Charter School

BY JUDITH BRODY SAKS

Judith Brody Saks is an education writer in Rockville, Maryland.

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What should a school board do if state auditors say a charter school has reported, and received money for more students than it actually had in regular attendance?

When that happened in Los Angeles, the school board investigated and revoked the school's charter. (The alleged misrepresentation of enrollment wasn't the only concern: When the principal of Edutrain, a charter school for at-risk students, leased a sports car and hired a bodyguard with school funds, the board questioned whether public moneys were properly allocated.)

This story, though true, isn't typical. School boards and charter school founders are more likely to run into disagreements over day-to-day operational issues or questions of educational philosophy. Charter schools pride themselves on their independence and flexibility, but they are still publicly funded schools accountable to taxpayers. And if the law in your state puts school boards in the position of making sure charter schools deliver the programs and results they promised, your board should be prepared to exercise that accountability.

The charter school movement has blossomed since its beginnings in 1991, buoyed by bipartisan support at both state and national levels. At present, 29 states and the District of Columbia permit charter schools, and more than 750 charter schools were in operation in 23 states as of the fall of 1997. In 12 of the 25 states studied in a federal government report, the local school board is the only body that can approve a charter (although three of those states allow appeals to a higher authority, such as the state education department). In other states, state education agencies, state chartering boards, and universities may also authorize charter schools.

Some critics would like to see school boards removed from the chartering process altogether, arguing that it's difficult for a school board to look objectively at proposals for schools that compete with district schools and might siphon badly needed funds from the school district. Others say the charter review process is so time-consuming that boards must give it short shrift and might, therefore, make bad decisions in haste. "Most local school boards are so overwhelmed by their day-to-day responsibilities that very few have had the opportunity to address this [charter school policy] in a real thoughtful way," contends Eric Premack, director of the Charter Schools Project of the Institute for Education Reform at California State University at Sacramento. "They kind of crib together some policies that are more a political than a substantive job."

But the school board members and administrators interviewed for this article indicate they take their responsibilities very seriously. They say they don't want to strangle the charter movement in its cradle; they want it to flourish. But they also want to exercise their role as the public trustee of taxpayers' money by approving charters that are educationally and fiscally sound, denying ones that have a high risk of failure, revoking any that have failed to meet standards, and renewing those that are doing a good job. The following guidelines, culled from interviews,

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can help school boards that are required to provide public oversight for charters:

1. UNDERSTAND YOUR STATE'S LAW.

State laws vary considerably along a continuum of "strong" (with provisions that encourage charter development) to "weak" (with provisions that discourage charters). To a large extent, the laws dictate the number and kinds of charter schools that may exist, the level of teacher or community support the schools must have, and the ways in which they will be funded. One law might call for innovative schools that do not duplicate existing public schools; another might require that charters serve educationally disadvantaged or "at-risk" students. Because school boards base their own policies and guidelines on state law, it's important to understand the state's mandate.

Frequently, though, a state law can cause serious problems for a school district. The Beaufort, South Carolina, school district, for example, went to court over issues raised by its rejection of an application from the Lighthouse Charter School. The state law requires the racial composition of charter schools to match within 10 percent the racial makeup of the district in which the charter is located. That meant the Lighthouse Charter needed to be about 40 percent black, a figure it was unlikely to reach because of community perceptions that the school was not actively seeking minority enrollment. But the district also has a desegregation agreement with the U.S. Department of Education's Office for Civil Rights that describes how and where attendance lines are drawn so that this Southern school district, which includes the resort island of Hilton Head, will not be resegregated. Had the charter school opened with 40 percent black students, it would have violated the agreement by pulling minority students out of other areas, says board member Susan Jancourtz.

Legally, she adds, the board felt bound by the wording in the state law, which said "show evidence" of minority participation or "show evidence" of an adequate transportation plan. "We thought it meant tangible evidence—show us the contract, for example, but they [the charter developers] thought it meant 'trust us.'" The board denied the charter, the Lighthouse applicants appealed the board's decision, and the state board of education overturned Beaufort's decision and approved South Carolina's first charter school. Taking a politically unpopular stance, the board refused to grant the charter and filed suit in South Carolina Circuit Court, where a judge later upheld the school board's decision. "The judge agreed with us that evidence meant tangible proof," says Jancourtz.

To make certain there are no misunderstandings about what a future charter application should contain, Beaufort now has comprehensive guidelines that call for specific enrollment and budget figures and a good deal of documentation. Submitting a charter proposal in this school district means a tremendous amount of homework for the applicant. But Jancourtz says, "When you think they would get a couple of million dollars of pubic tax money, it's not too much to ask that people do their homework and have a viable proposal." Jancourtz says she views the school board as the trustee of public money: "We have to feel comfortable that the public money will not be squandered."

2. SPEND THE TIME AND EFFORT TO DEVELOP SOUND POLICIES AND GUIDELINES FOR CHARTER SCHOOLS, AND REVISE THEM WHEN NECESSARY.

See what other districts have created, get advice from people at the state level and in regional federal laboratories, involve community members in drafting your guidelines, and have guidelines carefully reviewed by your school attorney. The best guidelines carefully describe the elements the board wants to see in a charter application and clearly explain the time lines and procedures involved in the charter review process.

The Verona, Wisconsin, school district has been dealing with its two charter schools chiefly in good faith and with few written guidelines. Now, however, the board realizes it needs policies to answer questions about budgets, enrollments, and other issues that have surfaced within the last two years. "It's time to stop and decide what we've learned and make a plan for the future so we can offer choices and everyone is comfort-

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Key Elements of a Charter Proposal

Charter law in your state might mandate additional or different requirements, but these general guidelines—condensed and adapted from the Douglas County, Colorado, and Beaufort County, South Carolina, school districts—suggest key elements to look for in a charter application:

Mission and purpose: a mission statement consistent with the school district's core values and state law, plus a statement of the need for the charter school and how the program's implementation will differ from existing programs or other charter schools.

Goals and objectives: student performance goals and how they will be achieved. (Beaufort County asks about measurable achievement standards, grading criteria, and criteria for promotion, retention, and awarding of high school credit.)

Admission policies: a plan outlining how students will be selected if more apply than the school can accommodate; evidence that any requirements for racial balance will be met; and plans to promote diversity and include academically low-achieving students and those with special needs. (Beaufort requires a projection of the number of children with special needs.)

Community support and accountability: evidence that parents, teachers, and pupils support the formation of the school; a description of the types and extent of parental and community involvement in the charter's operation; and information on how the charter school will be accountable to the public. (Douglas County asks for specifics about a representative school accountability committee and a school improvement plan.)

Governance: a description of the governing body and the administration of the school, explaining the relationship between the charter school and the school district; and procedures for electing governing board members and their relationship to the charter school's administration.

Educational program, pupil achievement standards, curriculum: the charter's plan for evaluating pupil performance, including types of assessments, time lines for administering them, and procedures for corrective action in case pupil performance falls below such standards a copy of the curriculum, listing the objectives, methods of instruction and means of measuring student outcomes for each subject and grade level; and a list of cocurricular or extracurricular activities that support the curriculum.

Employment issues: a description of the charter's employment practices, including a description of staff qualifications and compensation, recruitment procedures, and plans for resolving employment-related issues, and a description of employee grievance and termination procedures.

Budget: a list of working capital and assets, including cash, bonds, and real estate, plus evidence that the plan is economically sound for both the charter school and the district. The plan should include a budget for the term of the charter and the ways in which financial audits will be conducted. (Beaufort requires a monthly cash-flow projection that details revenues and expenditures for the first year of operation, as well as first- and second-year budget projections.)

Buildings and equipment: a description of the facility and how it will be obtained, funded, and maintained and a description of the type and amount of liability, workers' compensation, motor vehicle, property, and other insurance. (Beaufort requests complete documentation of ownership or lease of the facility, and certification that the building satisfies all requirements for fire, safety, and accessibility for the disabled.)

Transportation: a description of the student transportation system (including a contract if services will be provided by a second party).

Health and safety: a description of the ways in which the charter school will meet state and federal requirements for student immunizations, food inspections, hazardous chemicals, criminal background checks for employees, and other health and safety issues.

Student Rights and Responsibilities: an explanation of the school's discipline procedures and a statement of students' rights and responsibilities.

—J.B.S.

able with the process," says school board member Nancy Horns. "We need to develop a policy to ensure the good of the whole district. The policies will set the tone for what comes in the future." A task force, which met October 1, was expected to finish its first round of policy suggestions by December 1.

One issue driving the development of written policies is debate about the demographics of Verona's Core Knowledge Charter School, a 242-student, K-8 school based on the work of E.D. Hirsch. According to last year's figures, which were not expected to change much, the school has 2.7 percent minority students, compared to the district's 7 to 8 percent—25 percent in the attendance area in which the school is located.

Although the district urged the charter school to accept students on the basis of a stratified random sample, the school took children on a first come, first served basis, says John Schmitt, director of community education and liaison from the district's administrative team to charter schools. The district is now encouraging the school to modify its enrollment procedures and has suggested ways the charter could come up with a demographic mix similar to that of the district as a whole. "We're saying, 'Take our advice, make good faith efforts,' and so far the board has accepted this, but we'll watch real closely to see what happens, particularly in December when they [the charter operators] start the enrollment process," he says.

Horns says the school appears to be attracting students who are easier to educate. She believes the school's enrollment should reflect the attendance area in which it is located, but acknowledges that's an issue that needs to be put on the table. "Some people feel the good of the whole district hasn't been considered," she says, adding that the "board's responsibility is to work closely with both the school administration and the charter developer to make sure compromises are made for the good of the whole."

Kelli Kreienkamp, cofounder of the school, denies accusations of elitism. "We have information that shows we have an [academically] average group of kids," she says. "That's important because some thought we would get the cream of the crop. Well, we didn't." As for the minority enrollment situation, she says, "a statistician who looked at the school's demographics showed that our diversity was better than some other elementary schools in the district." She contends that uneven minority enrollments are a districtwide issue and that her school has unfairly been made a scapegoat. Further, she says, a charter school is a district school and not a neighborhood school; it should not have to reflect the attendance area in which it is located.

Charter schools, she says, walk a fine line in trying to recruit students. "Our challenge is to somehow encourage parents to think about this school as a choice, but we cannot go to their door and say, 'Here, sign this form.'" At press time, as the school was gearing up for recruitment, the school scheduled four community information meetings, one at a community center located near a concentration of low-income and minority families. Last year, Kreienkamp says, only one person attended the informational meeting at that center, but she is hoping for a better response this year. "We cannot be criticized if parents are happy with other public schools," she contends. "We cannot make the choice for parents."

3. DON'T BE AFRAID TO SAY NO TO A PROPOSAL THAT DOES NOT STAND ON ITS MERITS.

In considering a charter application, most school districts look for thoughtfully prepared, complete proposals that indicate the charter school has a good chance of success. The Denver school board turned down 11 of the 13 proposals it received during the 1993-94 school year because those applications did not have the substance or quality the district wanted to see. "Simply because someone makes an application doesn't mean we'll get a quality education concern," says Wayne Eckerling, assistant superintendent for educational services. "The bottom line is: Can this school really work? You have to feel you have an educationally sound and financially sound proposal—that the human and material resources will be in place to implement the model. Where

you don't have these, you will have problems," he says.

Eckerling suggests looking at the people associated with the proposal: Do they as a group have the resources and the wherewithal to pull it off? "You also have to look hard at governance," he says. "Will this school have a stable governance structure? Will the leadership consistently operate within the state law?" He adds that elsewhere in Colorado, rapid changes in the leadership and politics of charter school governing boards have created dissension and disagreements.

He also suggests considering how much support the charter school will need. Denver isn't the type of district that wants to do a lot of hand-holding, he says. It provides technical assistance to charters over compliance issues but doesn't provide the "here's how to do a payroll" support some districts are willing to supply. "We want to be supportive in whatever ways we can, but we have very limited administrative time to devote to our own issues, let alone theirs," Eckerling says. "Those schools are accountable to the district, and we have an obligation to see what they're doing and provide support, but most of them want to be free of the district's constraints, and that's the freedom we give them. It's in our best interests as a district to make sure the programs go well. We're not well served when a charter school does not go well, and we're not well served when we have to do it for them."

Denver found one way to ensure that a charter school has the right leadership, program, and funding: It started its own—the Pioneer Charter School. This K-6 school, says board member Lee White, gives the district the flexibility to go outside teacher contracts, get waivers, and do things differently. The school, which has a longer school year, longer school day, and a better staff-student ratio than other Denver schools, uses master teachers, less expensive instructors, and student teachers supplied by the University of Denver.

"The charter had to go through the same process as other applicants," says White. "Our staff and the University of Denver submitted an application, and we judged it by the same standards. It is true we gave the school a building, whereas regular charters have to find their own. We do have a leg up there, but we would have had to open that building in any case because of overcrowding" The district's charter effectively put an earlier charter, the foundation-sponsored Clayton Charter School, out of business. Clayton decided to terminate its contract, believing, says White, that it couldn't compete with the district's charter, which had a more attractive facility in virtually the same neighborhood.

The attention to quality has paid off, says Eckerling Now, when the district gets charter proposals, the applicants tend to be serious and have the resources to implement their plans. White says the board approved a proposal from the nationally known Edison company for either 1998 or 1999 and was willing to cut the company a little slack. The proposal was originally for a 550-student school, but Edison said it needed more students to afford to rehabilitate the abandoned school building it planned to use. The board allowed Edison to add a sixth grade and increase enrollment by 50 to 75 students. The school, White says, is supported by a grass-roots economic development association that sees the school as a civic redevelopment project and is "smart enough to hook up with a national model."

4. INTERCEDE ONLY WHEN NECESSARY, BUT DON'T WREST CONTROL FROM THE CHARTER SCHOOL.

School boards can be tempted to "get their hands into the internal operation of the school," says Premack, "and that starts to gut the whole charter concept. Sometimes it's a straight power grab, sometimes it's well-intentioned." California law, he says, "puts most of the cards in the hands of local boards. That's a good thing when the board is open-minded, but painful when the board is not open-minded."

In San Diego, the board is trying to balance the needs of the district with the needs of its charter schools. For several months, the district has been revising its charter policies and guidelines; drafts have been circulating back and forth between district administrators and charter school principals, who are trying to reach agreement

When You Review a Charter Proposal

For help with charter school policies and guidelines, check out a new guidebook from the federal government aimed at helping school boards and other agencies that approve charters. The SouthEastern Regional Vision for Education (SERVE), a U.S.-government funded regional education laboratory in Greensboro, North Carolina, was expected to publish "The Charter School Review Process: A Guide for Chartering Entities" in December. The U.S. Department of Education plans to disseminate this guidebook and make it available on its charter school web site.

Art Hood, a research assistant with SERVE, discussed some of the suggestions the guidebook will contain and raised some important questions for school boards to consider:

- A clearly defined and understood mission is the most important criterion for a charter school. The applicant should align all aspects of the application—from curriculum and class size to academic assessments—to that mission, which the business plan should support. "The mission should be the driving force, and everything should derive from it and flow back into it," says Hood.

- The applicant team should bring a broad range of skills and experience to the table, because a charter school is a small business as well as an educational institution. A lawyer and an accountant, as well as a curriculum specialist, might serve the team well. If such people are not actually on the charter team, the charter developers should at least know where to obtain the expertise they will need.

- School boards should determine how they will handle credit and criminal background checks of the key people on the charter school team. Hood says that, in reviewing 37 charter applications for the state of North Carolina, the SERVE team found a "surprising number" of charter folks with bad credit records. Those records were never the sole reason to recommend disapproval of a charter, Hood says, but the information did affect applications that were "teetering between yes and no."

School board members need to ask: Who will pay for the credit and criminal checks? What should we do with the results? Should we deny an application because someone has bounced a check? Or should we recommend that the person not handle money? Look at the timing, frequency, and severity of the credit problems in making your decision, Hood suggests.

- Consider giving conditional approval to charters if the application looks good on paper, but you are waiting for the credit checks or other documentation to arrive. Be clear about timetables for final approval.

- Determine whether you will view a charter application as a first draft or a finished product. Do you offer a one-shot, yes-or-no deal, or do you give the applicant a chance to improve the application by responding to issues and concerns the school board and administration raise? Decide "how close to good" the application has to be in the first place before you offer the chance to revise, Hood suggests.

- Consider interviewing the key members of the charter team after you've carefully reviewed their written documents. Depending on state law, the interviews can be held in public session or behind closed doors. In North Carolina, Hood says, his team chose to interview applicants in private but made audiotapes of the sessions available immediately to the public. During the interview, the applicant should be able to describe the charter school's mission clearly and succinctly.

- Do a site visit if the charter facility has been identified.

- Once you've approved a charter, require a time line that forces the applicant to think through everything that has to be accomplished before the charter opens. The time line should include plans for recruiting students and marketing the charter, buying equipment, remodeling the building, and training staff.

- Consider appointing a charter liaison to answer all questions charter applicants might have. Ideally, to prevent any conflict of interest, the liaison should not be included in the charter review process.

—J.B.S.

on issues of autonomy, funding, liability, competitive bids for outside contractors, and other contentious subjects. The leaders of some charters have "understandably balked" at some of the proposed guidelines, says board president Ron Ottinger, but he believes the final guidelines will be no more restrictive than the current ones, because the public and the press want charters to have freedom.

Roger Sciarretta, principal of the Harriet Tubman Charter School, says the district is attempting to clarify some issues that have been vague in the past and to anticipate what charters might need in the future. He is "optimistic that something will be hammered out that makes sense."

Though supportive of its charter schools, San Diego has already revoked two charters and has intervened in two more situations. "We have the right to intervene on behalf of taxpayers when actions are going on that are detrimental to kids," says Ottinger. "We intervened at Tubman when there was an uproar over church-and-state issues, . . . and we intervened at Darnell when there was evidence of financial impropriety," he says. At the Darnell school, Ottinger explains, internal auditors found evidence that the principal and school secretary had misused funds. The board removed both the principal and secretary, put the school on probation, placed an acting principal at the school, and worked with the charter's governance team to hire a new principal.

"Our board and staff felt the school had built a good foundation and the actions of a couple of people shouldn't threaten the whole school," says Ottinger. "We said, 'If your team is willing to go through a probationary process, we will help you reconstitute and get new leadership.' . . . Our desire is to help charters succeed and in general to give the charter the benefit of the doubt."

As for the Harriet Tubman school, which is based on the Waldorf model of Rudolf Steiner, the district had to satisfy itself that the school was not actually teaching religion, Ottinger says. The board asked an outside agency to study the issue; the agency reported that although Steiner's philosophy of anthroposophy ("knowledge produced by the higher self in man") was a religion, those aspects of the Waldorf philosophy were not, in fact, being practiced at Tubman.

"The jury's still out on the Waldorf approach, but it has had success in other settings and we felt it was important to give the approach a try," Ottinger says. " Revoking the charter was an alternative, but the school had strong support from several members of the board who wanted to see it have every chance possible." One sticking point in the Waldorf curriculum, however, was the fact that it did not teach reading until second grade. In a district where student mobility is high, Ottinger says, "we can't afford to have kids without a basic academic grounding." But the school was willing to modify its approach so the district would feel more comfortable.

Overall, says Ottinger, both charter schools are better for the changes they made.

In Douglas County, Colorado, in contrast, a charter school chose not to revise its application as the school board had requested. The board, saying the proposal for the Colorado Visionary Academy was not well developed, had asked for more complete information in eight areas ranging from employment policies to the scope, financing, and staffing of its technology program, a key component of the school. When it did not receive that information, the board denied the charter. The charter applicants immediately appealed to the state board of education, which remanded the application to the local board and asked it to carry on good-faith negotiations with the charter school.

The district, which later approved the contract, felt pressured to resolve the issues and move forward. "Negotiations happened, but the timing was so rushed," says Laura Harmon, the district's charter liaison. "With everything down to the wire, there was no time to make in-depth quality decisions." The process was so costly to the school district that it funded the charter school at only 95 percent for the first year in order to recoup some of its losses.

"Our board felt bad that the state board was not willing to recognize our own decision-making

process, which was sound, and our authority on questions like this," says school board member John Sheehan.

As the state directed, the local board negotiated in good faith with the Colorado Visionary Academy, and the school opened last fall. Sheehan says, however, that his board is less comfortable with the school than with the district's other five charter schools, whose longer, less politically pressured review process allowed them to hammer out curriculum, budget, and other issues to the satisfaction of all parties. But the political reality in Colorado, Sheehan says, places a greater burden of proof on the school board than it does on the charter school, and that means the board had to back off from the level of scrutiny it might ordinarily apply.

Diane Kulback, one of the charter's founding members, sees the situation differently. "We felt timing was crucial," she says. "Your child's life is in your hands every single day. Sometimes you can't wait a year." The applicants believed they had a strong curriculum and all the right components for approval, she says. "Once we started talking to board members [during the renegotiation process], we made them feel more comfortable about what we were doing."

5. LEARN FROM YOUR MISTAKES.

The Los Angeles school changed its charter policies after its experience with Edutrain, the school that allegedly over-reported attendance and used school funds for expensive staff development weekend retreats and other questionable expenses. Deeply in debt, the school closed in 1994. Although no lawsuits have been filed, district and state officials are still haggling over whether the district is liable for overpayments that ran between $200,000 and $500,000.

Joseph Rao, administrative coordinator of charter schools in Los Angeles, says the district now requires preliminary background checks on charter applicants to make certain they have the knowledge and ability to run a school. "Our district also makes sure we have some protection when a charter becomes independent—the charter needs $200,000 in grants, actual money, or lines of credit, and it needs liability coverage," Rao says. "Two of our [charter] schools have $25 million in coverage of their own."

Rao notes that the district doesn't have day-to-day contact with charter schools because that might jeopardize the separate nature of the schools and open the district to liability for the charters' actions. "There is nothing to prevent a charter from buying $1 million worth of technology equipment in September, saying the computers don't work, and refusing to pay the bill in May," he says. "The charter schools have their own money and don't have to follow the state education code or local school board policy. We can encourage them and put pressure on them, but we may not even find out about the situation until we read in the newspaper that the computer company is suing the board of education. That's why liability issues are a problem, and that's why charter schools should have direct funding from the state and deal directly with the state entity."

Now, as certain charters near the end of their initial contract terms, Los Angeles is starting a careful process of review. The district has contracted with WestEd, an independent evaluation firm that is part of a federal agency, to evaluate Los Angeles' charters—particularly those five whose contracts will expire this school year. Los Angeles will ask the evaluator to take a close look at five key areas: staffing; educational achievement; governance process; parent involvement; and budgeting, accounting, and business practices. Beyond those specifics, Los Angeles is seeking at least some initial answers to essential questions about charters:

Does increased flexibility in exchange for increased accountability result in improved student outcomes? What is the impact of charter schools on school district reform efforts? Are there promising practices in charter schools that could be included in district systemic reform?

These are important questions—and the answers could change the course of the charter school movement across the country. ●

A Study of Charter Schools: First Year Report—May 1997

Executive Summary

Preface

This Executive Summary provides highlights from the first-year report of the National Study of Charter Schools (the Study), sponsored by the U.S. Department of Education as authorized by the 1994 Amendments to the Elementary and Secondary Education Act. The Study is a four-year research effort to document and analyze the charter school movement. By means of reports circulated online and in hard copy, the Study will provide descriptive information about the number and type of charter schools that become operational and about the factors that facilitate or hinder the charter schools' development and implementation. The Study will also analyze the impact of charter schools on student achievement and on local and state public education systems.

Highlights

- The Study includes the first definitive survey of all charter schools, including 90 percent of all schools in operation as of 1995-1996.
- Charter schools are extremely diverse because of state and local factors. Their approaches to education often vary dramatically from one another.
- States play a primary role in defining the possibilities of charter schools, and states vary greatly in their approaches.
- Most charter schools are small, but they serve the great racial and economic diversity of students that make up public education.
- Charter school developers (including educators, parents, and community members) say that charters afford them an opportunity to pursue educational goals that they felt they could accomplish more effectively with fewer restrictions and stable financial support.
- New charter schools face challenges encountered by fledgling small business, including start-up costs, creating time for planning, cash flow constraints, and attracting students and staff. Charter schools that were pre-existing schools face different challenges; many have realized autonomy from state regulations but some continue to struggle to resolve local political and administrative situations (various state restrictions still exist in many cases and may be increasing in some states).

Background

In response to widespread demands for better public education and for more choice among public schools, a number of state legislatures in the early 1990s permitted educators and local communities to develop charter schools. While these schools receive public funds, they operate unfettered by most state and local district regulations governing other public schools. Instead, they are held accountable for improving student performance and achieving the goals of their charter contracts.

Some believe that if charter schools demonstrate educational success, they could provide effective educational models as well as create pressure on local and state public education systems to oper-

ate differently, thereby acting as a catalyst for changing public education across the nation. Others believe that public schools should provide more choices to meet the needs of students and parents. It is with these consequences in mind that Congress in 1994 authorized funds, in amendments to the Elementary and Secondary Education Act, for a study to assess the impact of charter schools across the country. The first annual report of the Study provides an early indication of how charter schools are progressing.

The Study will monitor the pulse of the charter school movement, addressing research and policy questions in three major areas:

- Implementation. Are charter schools similar to or different from other public schools, and in what ways? What types of students attend charter schools? Do they differ from students in other public schools? What factors influence charter school development and implementation? How do states differ in their approaches to charter schools, and in what ways do charter laws and policies affect charter schools in each state?

- Impact on Students. Do charter schools have an impact on student learning? What are the conditions under which they improve (or fail to improve) student achievement as well as other aspects of student learning?

- Effect on Public Education. How do charter laws and charter schools affect local and state systems of public education? Are charter schools developing models or reform strategies that other public schools might use to improve education? Does their existence pressure other schools to reform? What lessons can be learned from the successes and failures of charter schools?

The Findings

At the beginning of 1996, 252 charter schools were operating in ten states. By the end of the year, 15 other states and the District of Columbia had enacted charter legislation. One year later, 428 charter schools are operating, and their numbers are likely to grow substantially over the next few years. The following findings are based on phone interviews in the spring of 1996 with 225 of the 252 charter schools operational in 1996 and on field visits to 42 of the 93 schools which had been open for at least one year in 1996.

States Play a Primary Role in Defining the Possibilities of Charter Schools

Each state follows a distinctive approach to charter school development. The state's approach profoundly affects the number, type, and operation of charter schools—and the impact they might have on the public school system. Several states have freed charter developers from most regulations that otherwise apply to public schools, but in others, charter laws are more restrictive. The research team identified several dimensions of variation in state laws, including:

- How Many Charter Schools Are Permitted? Sixteen of the 25 charter states limit the number of charter schools in the state. Nine states have no limits on the number of charter schools.

- Who Grants Charters? In 12 states, the local school board is the only authority that can grant a charter. In the remaining 13 states and the District of Columbia, however, other—sometimes several—agencies may grant charters.

- Who May Start Charter Schools? All but three of the 25 states and the District of Columbia permit the creation of brand new schools. All states and the District of Columbia permit the creation of brand new schools. All states and the District of Columbia have provisions for the conversion of public schools to charter schools, while just six states allow the conversion of private schools.

- Who Sets Personnel Policies? In 15 states and the District of Columbia, charter schools may act as employers in their own right. In the remaining ten states, legislation requires that teachers remain (or in the

States with Charter School Legislation, by Year of First Enactment and Number of Charter Schools Open as of January 1997

1991	***1995***
Minnesota (19)	Alaska (3)
	Arkansas
1992	Delaware (2)
California (112)	New Hampshire
	Louisiana (3)
1993	Rhode Island
Colorado (32)	Wyoming
Georgia (12)	
Massachusetts (22)	***1996***
Michigan (76)	Connecticut
New Mexico (5)	District of Columbia (3)
Wisconsin (11)	Florida (5)
	Illinois (1)
1994	New Jersey
Arizona (103)	North Carolina
Hawaii (2)	South Carolina
Kansas	Texas (17)

case of newly created schools, become) employees of the local district. In 13 states, charter schools are subject to state collective bargaining laws; but legislation in six other states is silent as to the status of collective bargaining arrangements. The remaining states and the District of Columbia either exclude charter schools from collective bargaining arrangements or allow schools to address collective bargaining as a part of their charters.

These and many other distinctions among state laws provide an opportunity for the country to assess alternative state approaches to the use of charter schools as a vehicle for education reform.

Charter Schools Are Diverse

There is no "typical" charter school; they are extraordinarily diverse. While some use advanced technology enabling students to study off-site, others emphasize small, nurturing environments with close student-teacher contact. Some schools mirror different aspects of school reforms of the 1990s, but others rely on more conventional pedagogy and programs. Structured learning environments are featured in some charter schools, but others have purposely designed less structured learning environments as a matter of policy. A sizable proportion of charter schools are designed to serve special populations, though most reflect the demographic characteristics of students in their geographic area. The variety in charter schools is evident, both in their diverse education programs and missions, and in their array of approaches to management, governance, finance, parent involvement, and personnel policies.

The report puts the variation in perspective by comparing charter schools to other public schools in the ten states where charter schools were operating in 1996:

- Most charter schools are small. About 60 percent enroll fewer than 200 students, whereas only 16 percent of other public schools have such small student bodies. No matter what grade levels are served, a higher proportion of charter schools are smaller than other public schools. The difference is most striking at the secondary level. Almost four-fifths of charter schools enroll fewer than 200 students, in contrast to one-quarter of other public secondary schools. Charter schools are more likely than other public schools to serve a wide grade-level span (K-8 or K-12), or likely than other public schools to serve a wide grade-level span (K-8 or K-12), or to be ungraded.

- Most charter schools are newly created. About 60 percent of charter schools were created because of the charter opportunity; the remainder are pre-existing schools that converted to charter status. About one-tenth of all charter schools were previously private schools. Newly created charter schools tend to be smaller than converted ones—three-fourths of the newly created schools have fewer than 200 students, whereas only half of the conversion schools have fewer than 200.

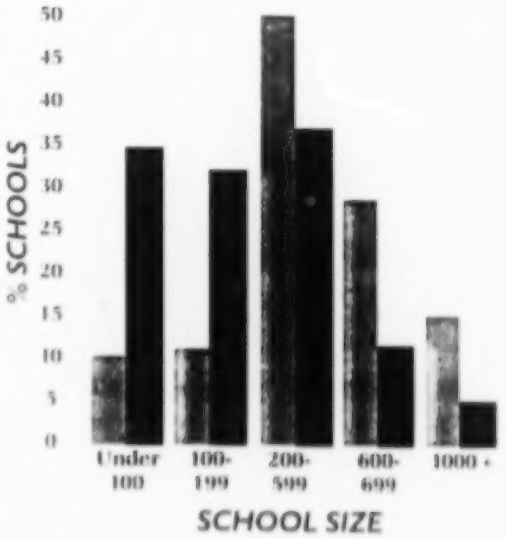
- Charter schools have, on average, a racial composition roughly similar to statewide averages or they have a higher proportion of students of color. Massachusetts, Michigan, and Minnesota charter schools stand out in that they enroll a higher percentage of students of color than the average of all public schools in their respective states. Aside from Georgia (which has only three charter schools), the average racial composition of charter schools in the other states is similar to their statewide averages.

- Charter schools serve, on average, a slightly lower proportion of students with disabilities, except in Minnesota and Wisconsin. In eight states, the typical charter school serves a somewhat lower percentage of students with disabilities than the average public school in its state. In Minnesota and Wisconsin this is reversed; the typical charter school serves a higher percentage of students with disabilities. A number of charter schools are designed specifically to serve special needs students. Fifteen of the 225 charter schools responding to the survey had student bodies that were more than 25 percent special education students; two of them enroll only students with disabilities.

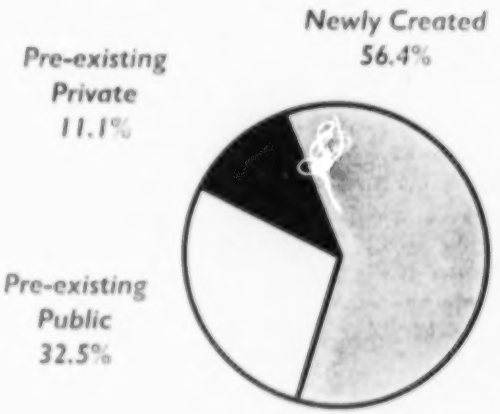
- Charter schools serve, on average, a lower proportion of limited-English-proficient (LEP) students, except in Minnesota and Massachusetts. The averages mask some statewide differences. Minnesota and Massachusetts charter schools enroll a larger percentage of LEP students than the average of other public schools in their states. And 21 charter schools serve student populations composed of more than 25 percent LEP students. In the remaining states, the average percentage of LEP students in charter schools is lower than the statewide average. Georgia's three charters enroll a small percentage of LEP students, but the statewide average is also very low.

- Charter schools enroll approximately the same proportion of low-income students, on average, as other public schools. About one-third of charter school students were eligible for free and reduced price lunch, which is about the same proportion as in all public schools. Approximately one-half of the sur-

Charter Schools Are Small Compared to All Public Schools



Newly Created and Pre-existing Charter Schools



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Charter School Enrollment by Race, 1995-1996

Racial Categories	Percentage of All Charter School Enrollment
White, not of Hispanic origin	51.6%
Black, not of Hispanic origin	13.8%
Hispanic	24.8%
Asian or Pacific Islander	6.3%
American Indian or Alaskan Native	3.5%
Number of Students	**58,620**

veyed charter schools reported that their school participates in the National School Lunch Program.

- Most charter schools are eligible for Title I funding. This finding holds for all states except for Colorado, Hawaii (which has two charter schools) and Wisconsin (which has five). For most states, about half or more of the schools reporting eligibility receive funding. However, in Michigan, only 25 percent of this group receives funding; in Colorado and Wisconsin, none receive funding. Further study is needed to determine why schools that are eligible to receive Title I funds do not receive them. Commentators have suggested that this problem may be due to administrative issues or to difficulties that charter schools may experience in understanding the complexity of Title I eligibility requirements.

The data thus show that though most charter schools are small—and their numbers are relatively few—they serve the great racial and economic diversity of students that make up public education. And like other public schools engaged in major school reform, their approaches to education often vary dramatically from one another.

The Most Common Reasons for Founding Charter Schools Are to Pursue an Educational Vision or Gain Autonomy

Charter schools are started in order to realize an educational vision; have more autonomy over organizational, personnel, or governance matters; serve a special population; receive public funds; engender parent involvement and ownership; or attract students and parents. Different types of charter schools had distinctive motivations. In particular:

- Almost all newly created charter schools seek to realize an educational vision and/or serve a special student population. Two out of three newly created charter schools founded the charter to "realize an educational vision." Another 20 percent were developed to serve a special population of students, including "at-risk," language minority, disabled, or ethnic and racial minority students.

- The vast majority of schools chartered in order to gain autonomy are pre-existing public schools. Four out of five charter schools that sought autonomy from districts, state regulations or collective bargaining agreements were public school conversions.

- Most private schools convert to charter status in order to offer their educational vision

LEP Students, Students with Disabilities, and Students Eligible for Free or a Reduced Price Lunch in Charter Schools, and All Public Schools

State	Percentage Students with Disabilities of Statewide Enrollment		Percentage LEP Students of Statewide Enrollment		Percentage Students Eligible for Free or a Reduced Price Lunch Statewide Enrollment	
	Charter Schools	*All Schools*	*Charter Schools*	*All Schools*	*Charter Schools*	*All Schools*
California	6.9%	8.5%	19.0%	23.1%	36.9%	42.8%
Arizona	6.7%	7.9%	10.0%	11.9%	44.5%	40.0%
Michigan	6.1%	9.8%	.7%	3.0%	22.3%	30.2%
Colorado	7.8%	9.2%	.5%	4.2%	17.5%	27.8%
Minnesota	18.5%	9.6%	7.7%	2.5%	44.2%	26.8%
Massachusetts	6.3%	15.0%	7.3%	5.0%	38.2%	25.6%
Wisconsin	12.2%	9.9%	.0%	2.0%	20.5%	24.9%
New Mexico	11.4%	12.5%	15.2%	24.9%	23.1%	49.7%
Georgia	4.8%	8.0%	1.8%	1.0%	22.6%	40.6%
Hawaii	6.1%	7.3%	4.0%	6.5%	14.8%	27.0%

Reasons for Founding Charter Schools

Most Important Reason for Founding Charter	Percent of Charter Schools that Cited Reason as Most Important				
	Number	*All Sites*	*Newly Created*	*Pre-Existing Public*	*Pre-Existing Private*
Realize a Vision	105	51.0%	66.9%	27.9%	35.0%
Autonomy	43	20.8%	7.7%	50.1%	0%
Special Population	26	12.6%	19.6%	2.9%	5.0%
Financial Reasons	12	5.8%	.8%	10.3%	20.0%
Parent Involvement	10	4.9%	4.2%	5.9%	5.0%
Attract Students	10	4.9%	.8%	2.9%	35.0%
Total Number		**n = 206**	**n = 118**	**n = 68**	**n = 20**

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to additional or more diverse students using public funds. In addition to realizing an educational vision, pre-existing private schools cited attracting more students and seeking public funding as most important reasons for converting to charter status.

There is a common thread across these distinctive motivations: Charter developers feel that charters afford educators, parents and community members an opportunity to pursue goals they felt they could accomplish more effectively if they had fewer restrictions and stable financial support.

Nearly All Charter Schools Face Implementation Obstacles

The vast majority of charter schools face difficulties during development and implementation, but newly created charter schools experience a distinctive pattern of difficulties compared to converted schools.

- Resource limitations cause the most pervasive problems, especially lack of start-up funds. Lack of start-up funds was mentioned more frequently than any other single problem, by 59 percent of charter schools. Among

Barriers to Developing and Implementing Charter Schools

Barriers	Percentage of Schools Reporting Barriers Were Difficult or Very Difficult
Lack of Start-up Funds	59%
Lack of Planning Time	42%
Inadequate Operating Funds	37%
Inadequate Facilities	35%
State or Local Board Opposition	25%
State Department of Education Resistance or Regulations	19%
Internal Conflicts	19%
District Resistance or Regulations	18%
Union or Bargaining Unit Resistance	15%
Bargaining Agreements	13%
Hiring Staff	12%
Health/Safety Regulations	10%
Accountability Requirements	9%
Federal Regulations	6%
Community Opposition	5%
Teacher Certification Requirements	4%

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newly created schools, 68 percent said lack of start-up funds was a problem. More than one-third of all Charter schools cited a problem with lack of planning time. Similar percentages cited inadequate operating funds and inadequate facilities. In all, seven out of ten charter schools named at least one area where resource limitations produced some difficulty.

- Some charter schools experience problems with other entities. Between 15 percent and 25 percent of charter schools cited each of the following difficulties, (listed with the difficulties receiving the highest percentage first): state or local board opposition, state education agency resistance or regulation, internal conflicts or local education agency resistance or regulation, or union or bargaining unit resistance. In all, three out of five pre-existing schools experienced at least one of these problems. No one of these difficulties was common across many charter schools, but rather each problem tended to arise largely based on unique local situations.

- Regulatory issues were cited less frequently. Only one out of four charter schools, whether newly created or pre-existing, encountered one or more problems involving regulatory barriers. For each type of regulatory barrier, only ten percent or fewer of responding schools cited the problem. Regulatory issues include restrictions on hiring teaching staff, health and safety regulations, other state regulations (including financial, liability, and retirement issues), and state accountability requirements.

It is typical for schools undergoing change to experience implementation problems, but new charter schools have additional and singular challenges most akin to those encountered by fledgling small businesses, including creating time for planning, cash flow constraints, and attracting students and staff. Conversion schools face different challenges; many have realized autonomy from state regulations, but some continue to struggle to resolve local political and administrative situations (various state restrictions still exist in many cases and may be increasing in some states).

Next Steps

It is far too early to assess the significance of charter schools for American education, but this report offers the first comprehensive description of the charter movement; thus, it provides a foundation for tracking future charter developments. Building on this database and yearly updates, researchers will study in subsequent years the impact of charter schools on student performance and on state and local public school systems. In 1997, the research team begins its longitudinal assessment of student achievement. It will conduct intensive site visits in order to identify state and local factors affecting charter implementation and student achievement, and initiate the difficult task of collecting information on the possible consequences of charter schools for American education. ●

How Charter Schools Are Different

Lessons and Implications From a National Study

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The authors provide background information on the "Charter Schools in Action" project, take a close look at the innovative ways in which some actual charter schools organize and support themselves, and present five lessons that charter schools offer American education.

We have recently concluded a two-year study known as "Charter Schools in Action," a project of the Hudson Institute's Educational Excellence Network, supported by the Pew Charitable Trusts. In this article, we summarize the research and fieldwork undertaken for the project and discuss the implications of the charter school movement as we have observed it. Our purpose is to suggest lessons that can be drawn from the country's brief charter experience that are relevant to U.S. public (and private) schools.

We begin by providing some background information on the project and by recapping what is different about the charter idea itself. We then discuss the origins of some actual charter schools and present some of the often creative and innovative ways in which these schools organize and support themselves. We conclude with five lessons that charter schools have to offer American education.

Background

Begun in July 1995, the "Charter Schools in Action" project had several goals: to illuminate the practical and policy issues surrounding the creation and successful operation of charter schools (including finances, governance, regulations, facilities, enrollment, and personnel); to begin to gauge the educational impact of these schools; and to inform people involved in creating and operating charter schools—both practitioners and policy makers—of strategies devised elsewhere.

During the first project year (1995-96), site visits were made to 43 charter schools in seven states: Arizona, California, Colorado, Massachusetts, Michigan, Minnesota, and Wisconsin. Detailed information was collected on 35 of these schools, representing a cross section of the approximately 225 charter schools then operating nationwide. More than 700 interviews were conducted with individuals in these schools and communities.

During the second year (1996-97), site visits were made to 45 charter schools in 13 states; 17 schools were visited for the second time. Moreover, 18 schools that had been visited in 1995-96 participated in follow-up telephone interviews. The research team obtained direct information from a total of 50 charter schools in 10 states, a reasonable cross section of the nearly 500 charter schools then operating nationwide. (The three states with operating charter schools that were added in the project's second year are Florida, Texas, and the District of Columbia. In addition, visits were made to New Jersey, North Carolina, and Hawaii to study the implementation of the new charter laws in those states.) More than 600 interviews were conducted in the second year, bringing the two-year total to well over 1,300.

During the second project year, parents, students, and teachers were surveyed in charter schools that agreed to participate (provided the response rates met the project's minimum participation levels). The project team developed three questionnaires in consultation with charter school experts nationwide and with the Information Technology Services unit of the Brookings Institution, which also provided data processing and analysis. The results were tabulated from 4,954 students (fifth grade and older) attending 39 schools; from 2,978 parents of students attending 30 schools; and from 521 teachers in 36 schools.

Creating the New American Public School

Whatever else the movement to develop "New American Schools" has accomplished since its beginning in 1991, it has certainly spurred the imagination of individuals and organizations that have made these schools genuine centers of innovation. Policy makers, professionals, taxpayers, parents, and others committed to revitalizing public education should welcome charter schools as a giant step toward the reinvention of public education in America. Charter schools are creating a new kind of American public school, and much can be learned from them.

Exotic though some of the specimens are, the charter school movement ought not to be thought of as a zoo where one comes to gawk. From the perspective of American education as a whole, a better analogy might be to an R & D center where new ideas are tried out. They won't all succeed, and some that do succeed might appeal only to "niche" markets. However, others are likely to be so good as to warrant wide dissemination. This R & D potential is an important part of any policy-oriented appraisal of the charter phenomenon. Valuable though today's charter schools are for the thousands of families (and teachers) who benefit directly from them, another major purpose of the charter movement, we believe, is to inspire the development of innovative and effective approaches to education throughout the public schools.

The Charter Idea: A Different Starting Point

Since Minnesota passed the nation's first charter law in 1991, another 28 states and the U.S. Congress (on behalf of the District of Columbia) have enacted charter laws. When the "Charter Schools for Action" project was begun in 1995-96, some 225 charter schools—founded by a diverse array of people and organizations—were in operation. The number now approaches 800 institutions attended by as many as 2% to 3% of all youngsters in some states. The policy makers who are encouraging the spread of charter schools are a remarkable bipartisan group that includes President William Clinton, U.S. Secretary of Education Richard Riley, former Secretaries William Bennett and Lamar Alexander, Democratic Gov. Roy Romer of Colorado, and Republican Gov. John Engler of Michigan.

The charter concept is simple but powerful: *sound school choices can be provided to families under the umbrella of public education without micromanagement by government bureaucracies.* Independent schools that are open to all, paid for by tax dollars, accountable to public authorities for student learning and other results, and subject to basic health, safety, and nondiscrimination require-

ments are legitimate public schools even if they are managed by a committee of parents, a team of teachers, the local Boys' & Girls' Club, or a profit-making firm.

The charter concept affirms that schools need not be regulated into confomiity by platoons of assistant superintendents, staffed solely by government employees, or bent to the thousand clauses of union contracts. Instead, a school receives a charter—a license to operate—that is good for a certain period (usually five years). Typically a state or local school board issues the charter, though sometimes a university, state administrative office, or special chartering board bears this responsibility. The genius of the charter concept is that it is demanding with respect to results but relaxed about the means whereby those results are produced. In other words, charter schools are engaged in what Lamar Alexander has called "old-fashioned horse trading": swapping rules and regulations for freedom and results.

Seedbeds of Charter Schools

Where do charter schools come from? Nearly all are either "conversions" of pre-existing public schools (or, less commonly, private schools) or "start-ups" that are born with their charters and would not exist otherwise. There are also a few hybrids, such as a nonsectarian private pre-school that, with the help of a charter, was able to transform itself into a fully public elementary school. According to the excellent recent study of charter schools by RPP International and the University of Minnesota, conducted for the U.S. Department of Education, 56.4% of the charter schools operating m 1995-96 were start-ups, 32.5% were once regular public schools, and 11.1% were once private schools. (The federal study did not allow for "hybrids."

The founders of charters can be loosely clustered into three groups: educators, parents, and organizations. However, these categories are not mutually exclusive, and many a school displays the handiwork of two and sometimes all three of them.[2]

Educators. Many charter schools emerge from the dreams of teachers and other education professionals who are frustrated in achieving their educational vision and goals by the bureaucracy, the norms, or the culture of conventional schooling and want to do things differently. Some are individuals who have long dreamed of running their own school in their own way. During one of our interviews, a California principal captured this sentiment: "The charter school approach offered us a way to get the monkeys of the state and the district, with all their rules and regulations and bureaucracy, off our backs."

A small charter school in rural Colorado—actually two small schools about 30 miles apart but run as a single charter—split off from the district in large part for reasons of educational philosophy. The teachers and principal (strongly backed by local parents) favored curricula and methods that the district had little interest in trying. The state's charter law made this innovation possible and at the same time gave two tiny communities the sense that they actually control their schools.

A unique charter arrangement can also be found in Kingsburg, California, where the superintendent suggested to the board that the entire district become a charter district. (It is now one of two such districts in California.) His main rationale was that the rigid requirements and policies imposed by the state on this 1,800-student, K-8 district with a 50% minority enrollment were meant for much larger districts with different problems. A volunteer group of about a dozen teachers—led by the K-1 school principal—worked through the various issues that needed to be resolved. After much discussion, nearly 70% of the district's teachers approved the charter proposal, and the board voted unanimously to approve the petition. The 1996-97 school year was the district's first year of operation as a charter district. One of the principals commented, "I was a charter skeptic. But now I see how it's helped us do things that we never could have done under the umbrella of the conventional district system."

Another illustration is Boston's City on a Hill charter school, which was founded by two public school teachers, both of whom had worked in the Chelsea, Massachusetts, school district. They had finally reached the point where, as one of them describes it, "I was banging my head against the wall. The time had come to try something different. The charter law gave us the freedom to start from scratch and do what we had often talked about doing."

They applied for and received a charter, and in 1995 they opened City on a Hill as a grades 9-10 school enrolling 65 students, half of them African American and 20% of them other minorities. The school is located in a large YMCA near Northeastern University and has partnerships with several nearby cultural institutions: the Huntington Theater, the Boston Ballet, and the Boston Symphony. It has a core curriculum, a focus on civic education, and a waiting list. In 1996, after adding grade 11, City on a Hill enrolled 100 students and will gradually expand to encompass grades 7 through 12, with a total enrollment of 225.

Other examples of teacher-initiated charter schools include Constellation Community Middle School in Long Beach, California, which was started by two public middle school teachers who could not make the kinds of restructuring changes needed to give their urban, minority pupils a world-class education in the core subjects; Sierra Leone Educational Outreach Academy in Detroit, whose founders are former special education teachers frustrated by the "dumping ground" aspect of traditional special education programs; and City Academy in St. Paul, Minnesota, the nation's first charter school, which was begun by teachers who saw that the traditional education system is not very effective in working with those who dropped (or were pushed) out of school.

Parents

The second group of charter founders consists of parents who seek a better educational experience for their children and have not found satisfaction in their public school systems. In many cases, these parents cannot afford private schools. Their political views and educational priorities vary widely, but all these parents share the will to ensure that their daughters and sons get the best possible education, and all are willing to strive mightily to create the kind of school they desire.

An example of a parent-initiated startup is Oakland (formerly Jingletown) Charter Academy in California. Parents whose children attended Lazear Elementary wanted their youngsters to be able to go on to a middle school that was free from the drugs and violence they saw in their local schools. In late 1992 a group of these parents approached Clementina Duron, then principal of Lazear, and asked for help in starting a charter school. The Pacific Research Institute — a public policy research organization based in San Francisco—helped link those creating the charter school with accountants to work on the budget and with other educators to assist with educational issues.

Despite intense union and board opposition, the school was finally created, with Duron as its principal. Eighty-five percent of its students are Latino, and nearly all the rest are from other minority groups. One parent commented, "We began to think we could do better for our kids than the district was doing. Sure as hell we couldn't do any worse." Although the bitter battles surrounding its founding left scars, the Jingletown saga shows what can be accomplished when energized parents team up with sage and courageous educators.

The Sequoia School in Mesa, Arizona, one of the largest charter schools in the state, emerged from the determination of two fathers—Don Flake and David Wade—whose own large families were not uniformly well-served by existing public schools in this fast-growing part of metropolitan Phoenix. Both men were also evangelists for the charter concept—Flake once chaired the state charter board—and wanted to demonstrate its potential and its flexibility. Sequoia is distinctive in the charter world because two very different educational programs coexist within its walls: one is a

highly structured "back-to-basics" curriculum; the other, a multi-age, team-taught "progressive curriculum.

At the opposite end of the scale in terms of size is Emily Charter School in rural Minnesota, where the entire town rallied to stop the closing of its only elementary school by converting it to charter status, or the Renaissance School in Douglas County, Colorado, the first "progressive" charter school in a fast-growing suburb that already had two "traditional" charter schools. Renaissance now serves families that want individualized education and multi-age groupings. At the time of our most recent visit, the school was hard at work on the financing of a new and more permanent school site.

Organizations

The final group of charter initiators comprises "third parties" who, for various reasons, want to start or operate schools of their own. Some are nonprofit organizations, some profit-seeking firms, some multi-service community groups, and some are even government agencies. All are taking advantage of the opportunity afforded by charter laws to put their ideas into practice.

Sonoma Charter School in California illustrates this phenomenon. This fully autonomous K-8 school opened its doors in September 1994 and now enrolls 230 students. It was founded by a coalition of parents, educators, and community leaders. One of the founders commented, "All of us were dissatisfied in various ways with the district public schools. Several of us believe pretty strongly that the district is more preoccupied with making sure teachers aren't offended or don't go on strike than with making sure the kids get what they need to live in the 21st century. We saw the charter school and the autonomy it offered as a way to start over."

Livingston Technical Academy in Lowell, Michigan, is another such school. Started by several manufacturing firms in the community, it provides 11th- and 12th-graders with hands-on technical skills and experience. It is one of several "trade academy" charter schools that received startup grants from Gov. Engler's jobs commission. Operating on the campus of a local college, the school is viewed by many as doing what vocational programs should have been doing all along—providing a full eight-hour day of integrated academics and occupational skills, combined with 10 weeks a year of apprenticeship training.

A third example is Chelmsford Public Charter School in Massachusetts, opened for the 1996-97 school year by the Chelmsford Alliance for Public Education, a civic coalition of community members, parents, and businesses that had been working to improve public education since 1992. At first, parents tried to create a different type of grades 5-8 middle school in the Chelmsford system, but they were frustrated by the slow pace of change. One parent commented, "We wanted change to happen faster. I wanted a middle school in time for my kids to benefit. The charter law gave us the freedom to do that under the umbrella of public education."

The Raul Yzaguirre School of Success, which opened in 1996, enrolls about 100 seventh- and eighth-graders, all of them Hispanic and all from a tough Houston neighborhood. It is a creation of the Tejano Center for Community Concerns, whose board also functions as the charter board. Affiliated with the National Council of La Raza, Tejano also operates housing, homeless-child, health, and other programs in the Houston area. Tejano head and school founder Richard Farias also chairs the La Raza program in Texas. Among the interesting features of this school's origins and governance is its strong backing by Gayle Fallon, president of the Houston Federation of Teachers and a member of the Tejano board.

Why are these schools founded? The federal study of charter schools sheds some light on this issue. When founders were asked what they thought was the most important reason to start a charter school, the three most frequent responses were to realize an educational vision" (61.1%), "to have autonomy" (24%), and "to serve a special [student] population" (12.7%). But new and public conversion schools emphasized different reasons: two-

thirds of the startup founders cited realizing an "educational vision" as the most important reason for the creation of the school, while half of the founders of public conversion schools cited "autonomy" as their foremost reason.[1]

Why do families and teachers choose charter schools? Our survey work helps answer this question. In brief, families and teachers seek out charter schools primarily for educational reasons: high academic standards, small classes, a focus on teaching and learning, educational philosophies that are closer to their own, and innovative approaches to instruction. When asked why they chose charter schools, the top answers from parents were small school size (53%), higher standards (45.9%), educational philosophy (44%), greater opportunities for parent involvement (43%), and better teachers (41.9%). The top reasons for teachers were educational philosophy (76.8%), wanting a good school (64.8%), like-minded colleagues (62.9%), good administrators (54.6%), and class size (54.2%).

Imaginative School Designs

The diversity of founders and the range of motives for creating and enrolling in charter schools hint at the country's healthy appetite for educational alternatives and opportunities. But how different, really, are the schools themselves? How different are they from one another, from the "conventional" schools of their community, and from innovative school designs being tried elsewhere that may not bear the charter label?

The answers vary too, of course. There is nothing resembling a single "charter model" that dictates what to teach, who will teach it, where to locate, what hours to operate, how long class periods will run, how best to impart reading skills, and so on. Indeed, there are places where quite different approaches can be found in charter schools operating within a few blocks of each other.

Charter critics and jaded reformers sometimes suggest that little is happening in charter schools that cannot also be found in "regular" schools. That's partly true. Some charter programs are variations on familiar curricular and pedagogical themes, and some represent thoughtful returns to proven but neglected strategies from the past.

In their own contexts, however, virtually all charter schools are truly innovative. This means that educational arrangements that might not strike cosmopolitans as novel are almost certain to appear revolutionary to locals who have not previously had access to anything of the sort. It is of small importance to disgruntled parents or frustrated students and teachers in rural Lincoln, California, that some school in Los Angeles already has an independent study or satellite-linked program of the sort they yearn for. That program might as well be on another planet. Where progressivism reigns as educational orthodoxy, a back-to-basics school represents innovation—and vice versa.

Some founders of charter schools are not even aware that their innovation has been piloted elsewhere. Some schools, too, are so insistent on inventing their own wheels that they fail to learn from their peers or to avail themselves of good materials and experiences elsewhere. Like a home-cooked meal that follows the same menu as a restaurant, many charter-school founders are simply more satisfied when they do it themselves—even if the food is similar.

In the following two sections we depict some of the innovations we have found in charter schools. We have organized them under two headings: specific design elements (which we divide into eight categories) and whole-school designs. This distinction is not a sharp one, and the range of innovations could be thought of as a continuum. The important point is that, in some charter schools, the founders choose to build (or rebuild) an entire house, while others focus on renovating only the kitchen.

Eight Design Elements

In linking a school with one of the following eight elements, we don't mean to suggest that the school has limited its efforts at innovation to just

a single category. Quite the contrary, many of these schools could be used to illustrate more than one category.

1. Curriculum, Instruction, and Assessment

Of course, these areas are the educational heart of any school and are most apt to be central concerns of the charter founders. We have found dozens of approaches, some of them familiar from other school reform initiatives (though still startlingly fresh in their contexts), others of them more original. We have observed individualized learning, project-based and hands-on learning, foreign languages in the early years, unconventional approaches to special and bilingual education, and all manner of assessments, some prepackaged and some locally developed.

A number of Colorado charter schools have embraced the Core Knowledge Program associated with E. D. Hirsch, Jr. We found a Montessori-style school at the NFL-YET Academy in south Phoenix, originally known as the Esperanza Montessori Academy. The Pine Forest School in Flagstaff, Arizona, is a Waldorf-style school, incorporating the approach of the German educational pioneer Rudolf Steiner. The Clayton Charter School in inner-city Denver models its approach to child development on the High/Scope Program.

Community Day Charter School in Lawrence, Massachusetts, offers all its students what it calls an "inclusive educational program." There are no tracks or individualized education programs (IEPs, as conventionally known in the world of special education). Instead, during the enrollment process, staff members meet with parents and children to begin to meet the needs of every child enrolled in the school. After the start of the school year—a period intended for adjustment—the school administers several diagnostic and screening instruments to refine its initial evaluations. The school contracts with a part-time, special education administrator to oversee this process. The parents of students who ordinarily would qualify for an IEP are told their rights under state law. They are then invited to waive the preparation of a conventional IEP in favor of the school's "student services agreement." Community Day Charter believes that the special education label undermines the school's inclusive philosophy, one that yields a unique education plan for every single child.

Minnesota's City Academy features many hands-on projects for its students—all former dropouts. Some students provide hot lunches for their peers, doing the meal planning, purchasing, budgeting, and cooking. The City Links program has students spending an hour and a half each day, four days a week, helping in nearby preschools, nursing homes, and community service projects. Another program is Youth Build, in which 10 to 12 students are involved each afternoon in construction projects throughout the city. These students are paid for their work (through a government grant program), and the school actually bids on various construction projects. In addition, the students do free jobs, such as snow removal for the elderly.

2. School Organization

Charter schools tend to be small. The federal study reports that about 62% of charter schools have fewer than 200 students, while just 16% of conventional public schools in the 10 states analyzed are so small. Charter schools are also much more likely than conventional public schools to span K-12 or to combine elementary and middle school or middle and high school.[4]

Our observations are consistent with these findings. We saw examples of schools organized in many different ways: small schools, small classes, self-contained classes, teams of teachers responsible for large groups of youngsters, schools with multi-year "houses," teachers who move up the grades as their pupils do, and much more. At the Community Involved Charter School in a Denver suburb, grade clusters are called "seasons"; at Renaissance Charter School in another Denver suburb, each teaching team and its multigrade student group is known as a "castle."

Both Emily Charter School and Metro Deaf School in Minnesota operate without principals. A team of teachers at Metro Deaf fills the leadership role

in addition to teaching. At Emily, parents, teachers, and other staff members handle the items traditionally entrusted to a school principal. Both schools have struggled with leadership because functioning without a principal is truly breaking new ground. Yet both vow that the benefits far outweigh the initial problems that have been overcome.

The Escambia Charter School in Florida—formerly an alternative education program run by the Private Industry Council with federal funding—has four sites: one administrative building and three school sites. There is a single CEO, but each locale has a site coordinator in charge of discipline, hiring, and performance reviews (which are conducted every six weeks). In its first year of operation as a charter school, Escambia, which serves a population of students with "lots of extra baggage (living in poverty, coming from single-parent homes, being exposed to drugs and violence, and so on), has gained a solid reputation for making great strides with its students.

3. Leadership and Governance

Charter schools employ numerous approaches to leadership and governance. Some outsource, in whole or in part, their management to nonprofit or for-profit groups. Some are teacher-led and have no conventional principal. Some have strong boards that make or approve nearly every decision. Others have charismatic principals whose fingerprints are visible all around the school. The traditional "principal/assistant principal" roles are relatively rare. Rather, we have found a plethora of executive directors, chief educational officers, directors of instruction, and so on. Here are some examples.

The Minnesota New Country School in Le Sueur is a new public charter school that has no employees as such. Rather, its governing board—a majority of whose members must by law be teachers in the school—has contracted with EdVisions Cooperative, a group of New Country School teachers (and others), for educational and management services. These teachers, then, are both employees and employers.

A variety of arrangements exist for outsourcing management. In California, Options for Youth, Inc., has contracted to operate five charter schools for dropouts, using independent study and home-based learning approaches. Five of the 25 charter schools in Massachusetts are managed by private firms. And a sixth, Community Day Charter School in Lawrence, offers yet a different model. This K-6 charter was founded by Community Day Care of Lawrence, a nonprofit group that has been in town for nearly 25 years and helped organize a group of parents who wanted something different for their children. After the school became a separate legal entity, the school's board of directors contracted with Community Day Care to manage the school. The executive director of the day-care agency is also executive director of the school.

4. Staffing

Charter schools have devised imaginative approaches to selecting and deploying their staffs and furnishing them with professional development. There are differentiated staffing arrangements, master teachers, performance-based pay, and a variety of other options.

For its first two years of operation, the Mesa Arts Academy in Arizona contracted with the Mesa Public Schools for its core academic teaching staff; the teachers remained employees of the school system but worked for the charter school. Up the road a bit in Flagstaff, the Pine Forest School wanted to attract Waldorf-trained teachers to work in its program and found itself recruiting from all over the country.

At Excel Academy in Grand Rapids, the principal and teachers ironed out the school's curriculum, mission, committees, and hours of operation during staff-building sessions over the summer. All the teachers are certified by the state, and they are required to distribute weekly lesson plans to parents. None of the teachers are members of the union, none have tenure, and there is no seniority system. Furthermore, performance counts in their contracts, which state that teachers can be dismissed for not meeting the school's standards.

Sierra Leone Educational Outreach Academy was founded by several former Detroit public school teachers and focuses on serving children traditionally labeled educationally challenged or learning disabled. The hallmark of this charter school is that it is teacher founded and teacher run. Each teacher has six preparation periods a week, plus half a day per month for planning. A part-time staff developer is on site, lunch periods are duty free, and $50 a month is budgeted for teaching supplies. The additional support and planning time are provided despite the fact that the school receives significantly less funding per pupil than the district public schools.

5. Parent and Community Involvement

Charter schools have found many ways to involve parents and community members. Some are obvious, such as including these individuals on governing boards. But there are other interesting ideas, such as parent contracts, parents as instructors, courses for parents and community members, and the use of the school as a social-service center.

Colorado's Renaissance School expects 20 hours per semester of volunteer work from parents or other family members, and the school employs a volunteer coordinator to make the most of this assistance. Parents supply everything from physical labor to classroom help to supervision on field trips. In addition, many parents serve (usually with teachers) on task forces charged with developing discipline codes, teacher evaluation protocols, and so on. The school's philosophy is "If someone has a problem, put that person in charge of a task force charged with solving it." Single-parent families sometimes have a bit of difficulty putting in all the expected volunteer time, but the volunteer coordinator devises options for them, too. (There is even talk of creating a "market" in volunteer hours, whereby parents with more money than time can pay others to do their "volunteer" work—or can just contribute money to the school.)

At the Cohn Powell Academy in Detroit, parents are required to contribute a minimum of 10 hours of "sweat equity" per year. Each day at lunch, parent volunteers give the teachers a badly needed break from their hectic schedules. The school's after-school program is also run by parents.

At the C.K. Steele/LeRoy Collins Community Charter Middle School in Tallahassee, all parents must pledge to volunteer at least one hour a month, support their child's remediation as necessary, and participate in at least one school activity (e.g., the school advisory council, the parent/teacher organization, or a sports team).

Minnesota New Country School holds monthly exhibition nights at which students demonstrate their work and parent/community participants rate the projects. These ratings partly determine whether students receive credit for those projects. The monthly meetings are also used to discuss issues affecting the school and the community as a whole.

West Michigan Academy for Environmental Science is located on a 60-acre wooded site in Walker. It offers a community/school "farming" project whereby parents and other community members can buy shares in the project and, in return, receive their share of fresh vegetables and fruits. A greenhouse and barns (for chickens and other critters) are on the drawing board. For its first two years, this school was housed in extremely inadequate facilities—a coliseum—which parents and other community members would help the school vacate temporarily twice each year to make room for a dog show and a circus.

6. Scheduling

Here we see longer days, longer years, before- and after-school programs, and other ways of breaking the bounds of traditional school days and calendars.

The Raul Yzaguirre School of Success, in the mean streets of East Houston, begins its day with breakfast for everyone and continues through a mandatory after-school program that keeps students on the school's premises until 5:30PM each weekday. Part of the rationale is education and enrichment, but another important part is a commitment to keep these seventh- and eighth-graders safe. The neighbor-

hoods to which they would otherwise return in mid-afternoon are gang territories.

Detroit's Sierra Leone Academy operates for 210 days, from 9AM to 5PM. City Academy in St. Paul operates year-round from 7AM, to 8PM.

7. Technology

Computers in the home, voice mail, e-mail, homework hotlines, and many other uses of technology support the instructional and managerial needs of charter schools.

The Sequoia School in Mesa, Arizona, is chartered by the Ganado district, located on the Navajo reservation several hundred miles away. It is planning an ambitious two-way interactive distance-learning system whereby the school and the district will share classes. Sequoia's excellent math instructor will offer advanced mathematics courses, while Ganado will provide classes in Native American philosophy.

The most unusual technological approach that we encountered is the "virtual" school that can scarcely be called a "place" at all. For example, the Choice 2000 On-Line School in Perris, California, is "open" for its students 24 hours a day. Begun by a teacher in 1994, it is a technological version of a one-room schoolhouse except that this room has hardware, software, phone lines, and a few teachers on the premises (who come and go from the school "site" but also teach from their homes). Its students—who live all over California—mostly attend the school via computer.

8. Financing

Because of the financial constraints experienced by charter schools, especially when it comes to finding capital, these schools have been enterprising in the search for ways to supplement their budgets and pay for needed improvements and expansions.

When Guajome Park Academy in Vista, California, wanted to create a state-of-the-art innovation and technology center on campus, it developed a partnership with a for-profit communications firm, NorstanSound and Signal, to finance the cost over a five-year period. The school makes annual payments to Norstan out of its operating funds. It dealt with its facilities problem (since the school is adding high school grades) by developing another partnership—this time involving Norstan, Creative Learning Systems, and the Vista Redevelopment Commission—to build a new off-campus learning center. This facility will be open from 7a.m. to at least 9p.m. daily and will be used by students and adults for continuing education. The Redevelopment Commission is serving as a guarantor for five years, at which point the facility will be owned by Guajome Academy. The school would never have been able to finance an investment of this size (nearly $2 million) on its own, but through these partnerships it will be able to pay for it over a five-year period.

The Fenton Avenue Charter School in Lake View Terrace, California, has also financed its recent technology expansion via partnerships. It began with $1.3 million, redirected from its 1996-97 operating budget, to implement a technology plan. Its partners are General Telephone and Electronics (GTE) and Educational Management Group (EMG, a division of Simon & Schuster). The GTE contract involves financing the purchase of the network over 10 years, and the EMG contract involves financing software and workstations over five years.

Whole School Designs

The Medical Center Charter School, on the periphery of Houston's sprawling Texas Medical Center and serving primarily children of people who work in that complex of hospitals and research institutions, shares a facility with the St. Nicholas II private school, a private religious school that arranged for the construction of the building. The charter school pays rent to St. Nicholas. A number of other services provided by the private school are purchased by the charter school, such as food service. And many of the people who staff the charter school—all except the full-time regular teachers—are also contractors, not full-time employees. It makes for an intricate, interesting amalgam.

Whole-school designs are akin to building a new home from the ground up—or gutting an old

structure and creating a completely new interior. Consider the previously mentioned Fenton Avenue Charter School, a preschool through grade 6 conversion institution that "seceded" from the Los Angeles Unified School District in 1994 in order to operate independently. Open year-round, it offers an education to 1,300 students and has a teaching staff of 63. The enrollment is 75% Hispanic and over 97% minority. Nearly all the students are poor. The school has gained control of almost all its $6 million budget. Such autonomy has allowed much that was impossible under the combined thumbs of the district and union: reducing class size to 25 (and now to 20 in the primary grades), adding after-school and Saturday programs, managing the school's own food service, providing accident insurance for students and long-term disability protection for employees, reducing administrative personnel by 25% and redirecting the funds to hire a music teacher and a technology consultant, and restoring a 10% staff pay cut mandated by the district. The school has created an on-site broadcasting studio (the first ever for a California elementary school), developed its own primary phonics instruction program (in both Spanish and English), and boosted pupil test scores more than 20% in two years. It has also been recognized by the state superintendent of public instruction as a California exemplary school.

The Charter School of San Diego is another conversion school, though its program is quite different and targeted at a special population. It opened under the charter banner in 1994 and encompasses 18 sites around the city, spanning 253 square miles. With an enrollment of 960 students, 67% of whom are minorities, it has gained nearly total control of its $2.3 million budget. The school has a year-round calendar, spans the equivalent of grades 6-12 (though students are not grouped into traditional grade levels), and targets urban youths who are not succeeding in conventional classrooms. Its instructional methods consist mainly of small-group work, seminars, workshops, and individual tutorials. Support services are also offered in health, counseling, and job placement. Students may earn a standard diploma, prepare for a GED (General Education Development) diploma, or take the California High School Proficiency Exams to graduate. The school is sponsored by the San Diego Chamber of Commerce Business Roundtable for Education, in partnership with Labor's Community Service Organization (AFL-CIO). According to an evaluation by the San Diego school district, "The school has been successful in reversing the downward spiral of failure in student achievement."

Some of the most unusual whole-school designs that we encountered are in the "virtual" schools. Consider Horizons Instructional Systems (HIS) in rural Lincoln, California. Started in 1993 by educators, HIS targets those who want an alternative to classroom-based instruction. HIS enrolls 1,400 students and has a waiting list of 1,000. Its nonclassroom approaches include home-based learning; supplemental education projects centered on the state's program of independent study; the Electronically Assisted Student Teaching Program, combining home-based computers with distance learning and satellite technology; electronic video conference classes that are delivered via satellite to an instructional site; and small-group instruction (called contract classes) for five to 15 students who need special tutoring or want enrichment courses.

Not every whole-school design is created by the school's founders. For example, the Francis W. Parker Charter School in Fort Devens, Massachusetts, was founded by three parents, but it incorporates the nine principles of the Coalition of Essential Schools. Opened in 1995, it serves 120 seventh- and eighth-graders from 19 communities and hopes to expand through grade 12.

Massachusetts is also home to one of the first charter schools in the country to employ the Edison Project model. The Boston Renaissance School now spans grades K-8 and enrolls around 1,050 students, most of them minority children. The Edison model includes a fully developed set of standards, curricula, tests, and instructional methods that staff members are trained to use, as well as an organizational model that groups students for periods of three years into "houses," which are staffed by differentiated teaching

teams. Boston Renaissance has its own nonprofit board that has contracted with the Edison Project to operate the school.

Also noteworthy among Massachusetts charter schools is the parent-initiated Chelmsford Public Charter School. The school's design is based on the "systems thinking" of Jay Forrester, a professor at MIT. While Forrester's ideas have been used in many educational settings, never before have they been adapted for a middle school. The adaptation process—guided generally by the school's board, but guided operationally by the school director working with the teachers—emphasizes the development of problem-solving skills that can be applied to all disciplines. It provides students with an interdisciplinary curriculum whose content is driven by student interest and choice. The educational program relies heavily on participatory, applied learning in which teachers serve as facilitators. The school is organized into two houses covering grades 5-6 and 7-8. The board of directors hired Alternative Public Schools of Nashville, Inc., a private for-profit company, to operate the school.

Finally, the Kingsburg Joint Union Elementary Charter District in California, mentioned above, is in a class by itself. This district is using its state charter as an umbrella for creating several educational options from which parents can choose. In turn, parents are expected to shoulder a greater responsibility for their children's education. Each parent is invited to sign a four-page parent/school/student compact that indicates which of six program options the family prefers. These range from a traditional grade-specific school through a multi-age classroom to several versions of home study. The compact clearly states that, if parents of a pupil "consistently fail to support the development of responsibility and respect in the students of this Charter District, the school reserves the right to dismiss the student from the District." Needless to say, parent involvement is up and discipline problems are down.

But other forms of help are available, too. The Kingsburg Community Assistance Program (KCAP), a local nonprofit organization, does everything from providing tutors and mentors for students to finding volunteers to repair houses so that the students can sleep under roofs that don't leak. With the assistance of local churches, KCAP has just completed a computerized list of local volunteers. The superintendent sees KCAP as a key part of an overall community involvement strategy to make sure young people get all the help they need to complete school successfully.

Lessons for 'Regular' Schools

What lessons can we draw from the charter-school experience to date? What insights can we glean for policy makers, educators, and parents about strategies for revitalizing American public education, for rewriting its ground rules, for changing its assumptions, for overhauling its mossy structures, and for reconstructing its power relationships? What do charter schools teach us about reinventing public education? We believe that five lessons are especially promising.

1. Consumer-Oriented Institutions

Charter schools spring from the impulse to meet educational needs that are not now being fulfilled. They respond to frustrations, demands, and dreams that the regular system—for whatever reason—is not satisfying. In that sense, they are consumer oriented, and their consumers include parents, voters, taxpayers, elected officials, employers, and other community representatives. This orientation is the opposite of conventional public education, which is producer oriented and inclined to take the interests of its employees more seriously than those of its customers.

Charter schools shift authority from producers to consumers, from experts to the laity. This reorientation is radical in its potential for changing our schools. It can lead to new forms of governance and management, to a host of different organizational patterns, and to a wide array of curricular strategies.

Charter schools are populated by those who have chosen to be there and who believe in the mission of their chosen school. Our inter-

views and surveys indicate that students, parents, and teachers are generally pleased with their schools. Keeping key clients and constituents satisfied is a characteristic of most successful institutions, but it hasn't always been true of public schools. The realization that customers are the primary stakeholders is perhaps the most important place to start.

2. Diverse Institutions

This consumer-driven system creates diversity and widens choice. It starts with the conviction that the needs and priorities of clients differ. The schools are created to fit the needs of families and students—not those of system planners, state and local regulations, or union contracts. Families (and teachers) are then free to choose the schools that best meet their needs. Though some diversity has long been a part of our nation's schools—alternative schools, magnet schools, and so on—it has not typically been a central principle.

The freedom of charter schools to be different has left many of them better able to respond to the changing nature of family and community life in America and better able to take account of decades of research into effective organizational and instructional arrangements. This country is too big and too diverse to expect one school model to fit everybody's needs.

And we do mean everybody's. Other parts of our research show that charter schools are especially attractive to low-income and minority parents who do not now have many options. Furthermore, the data show that these options are drawing families that had sought private or home-based schooling options back to public schools, along with young people who have dropped out of "the system." Even when a charter school is attended predominantly by middle-class students, the families that seek it out are typically those whose children were not thriving in conventional public schools.

3. Accountable, Results-Oriented Institutions

Charter schools focus on what children learn and how well they learn it—not on compliance with rules and procedures. This accountability for results requires that charter schools set clear academic standards for what they expect students to know and be able to do and explicit performance standards that define acceptable levels of mastery. Ways of assessing whether the standards have been met are also required. Finally, clear rewards and consequences for everyone—students, educators, and other adults—must be established.

Standards, testing, and consequences are central to the grammar of accountability of the "New American Schools." Charter schools are an early demonstration of the power of this approach; they can be closed (or their charter not renewed) if they do not produce the promised results. But they're also accountable in another way: those who attend (or work in) them can abandon them if they are not satisfactory places in which to learn or to teach. Combining the accountability triad of standards, testing, and consequences with the immediacy of a market mechanism makes for a promising prototype for conventional schools as well. (Of course, those that embrace it will no longer be "conventional.")

Focusing on results means that the basic question asked by those who govern and monitor charter schools is less likely to be "How much are we spending?" and more likely to be "What are our children learning and how well are they learning it?" That is the issue on which policy makers, parents, and reconfigured school boards will focus in the New American Schools.

Truth to tell, our site visits lead us to observe that a number of charter schools are still well behind where they should be in setting standards and tracking performance. For them, the theory far surpasses the practice. In the years ahead, it will be important to see whether they are, in fact, abandoned by disgruntled families or terminated by disappointed charter sponsors—or whether, facing such prospects, they finally get their acts together.

4. Professional Institutions

Those who work in the new public schools should be treated—and should conduct themselves—as professionals. This means deregulating the

schools and freeing them from bureaucratic control and micromanagement. It means allowing individual schools, educators, and parents wide latitude and much autonomy in decision making about such issues as teaching loads and methods, staff selection and compensation, resource allocation, calendars and schedules, and so on. As long as students learn to high standards and the customers are satisfied, a school's staff should be permitted to operate as it thinks best.

Charter schools illustrate some of the benefits of deregulation as applied to the education profession. Recruitment is not limited to graduates of conventional training programs for teachers or administrators. Different paths can be followed into the classroom or the director's office. The terms of employment are different, too. And judging from our surveys and our interviews, satisfaction among charter teachers is widespread.

This approach to professionalism has implications for teacher unions, of course. The centralized, standardized approach of collective-bargaining agreements must be transformed. And whatever transformation the labor/management relationship ultimately undergoes, we hope that the successor arrangement will value initiative and results more than process and uniformity.

5. A Voluntary, Mediating Institution

In virtually every instance, charter schools are small—even intimate—places where everyone knows the names and faces of everyone else. Even the larger charter schools are often organized to encourage face-to-face contact. Moreover, these schools have clear, focused missions that they pursue without distractions.

The emphases on intimacy and mission also enhance the safety and the sense of common purpose of charter schools. They don't look, feel, or act like "government," but they are plainly larger than the individual or family. In that sense, they satisfy the classic definition of a "mediating" institution. They are, in fact, exam-ples of what contemporary analysts term "civil society." They are voluntary institutions, neither compulsory nor monopolistic. They are anchored in their communities more firmly than schools created by bureaucracies. And they shift power from bureaucracies to the schools themselves and ultimately to the individuals responsible for them — educators, parents, and students. It is as if those responsible for charter schools had read and taken to heart Kettering Foundation President David Matthews' reflections on the importance of "rechartering" U.S. public schools:

> We have to look to our communities first if we are going to make fundamental changes in our school systems or develop their greater capacity for continuous improvement. Public strategies for rechartering schools are ways of reconnecting them to the purposes of a community. These purposes become the basis for contracts or charters in which communities commission schools to carry out certain mandates. . . . When people see that the schools are serving their purposes, they tend to see them as their schools. . . . When schools have an active and explicit mandate from the public, they are more likely to be orderly and excellent and communities are more likely to he well served.[5] ●

NOTES

1. *A Study of Charter Schools: First-Year Report* (Washington, D.C.: Office of Educational Research and Improvement, 1997), pp. 14-15.
2. Ibid., p. 27. The federal study classifies its sample of 42 field sites according to two broad groups of founders: one or several individual leaders or a coalition of stakeholders. For three-quarters of the field sites, the first group provided the impetus, with a school principal or administrator starting the school in half of these cases and parents or teachers founding nearly all the rest. When parents or teachers were the driving force, the charter schools were most likely to he new schools. When administrators took the lead, the schools were most likely to he conversions of preexisting schools. In the other quarter of the field cases, a coalition of individuals worked to start the charter schools, and all of these were newly created schools.
3. Ibid., p. 28.
4. Ibid., p. 12.
5. David Matthews, *Is There a Public for Public Schools?* (Dayton, Ohio: Kettering Foundation Press, 1996), pp. 27-28.

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"The staff is actively involved in working very closely with applicants, walking them through each step of the process and offering feedback before recommending authorization."

Mamie Thorns, Senior Associate Director, Charter Schools Office, Central Michigan University, in Hassel, Bryan C., Gina Burkhardt and Art Hood (1998). "The Charter School Review Process: A Guide for Chartering Entities." Published by SERVE for the U.S. Department of Education.

"As a chartering agency, I think my capacity for friendship with charter schools is severely limited, the way our friendships with our bosses will be. But the charter schools desperately need some reliable group that espouses unconditional love for charter schools."

Scott Hamilton, Associate Commissioner of Education, Massachusetts Executive Office of Education, in Hassel, Bryan C., Gina Burkhardt and Art Hood (1998). "The Charter School Review Process: A Guide for Chartering Entities." Published by SERVE for the U.S. Department of Education.

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